
Nørregaard Årre ApS

Ravnholtgyden 5, DK-6600 Vejen

Annual Report for 2023

CVR No. 40 11 12 47

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 6/5 2024

Jens Ohnemus
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nørregaard Årre ApS for the financial year 1 January - 31 December 2023.

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 at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

Vejen, 6 May 2024

Executive Board

Hans Thorvald Jensen

Board of Directors

Jens Ohnemus
Chairman

Hans Thorvald Jensen

Maria Carlsson

Independent Auditor's report

To the shareholder of Nørregaard Årre ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nørregaard Årre ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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 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 Company's internal control.

Independent Auditor's report

- 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 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.

Esbjerg, 6 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Stefan Dracea

State Authorised Public Accountant

mne42827

Company information

The Company	Nørregaard Årre ApS Ravnholtgyden 5 DK-6600 Vejen CVR No: 40 11 12 47 Financial period: 1 January - 31 December Municipality of reg. office: Vejen
Board of Directors	Jens Ohnemus, chairman Hans Thorvald Jensen Maria Carlsson
Executive Board	Hans Thorvald Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. DK-6700 Esbjerg

Income statement 1 January - 31 December

	Note	2023	2022
		EUR	EUR
Gross profit before value adjustments		1,208,397	1,560,809
Value adjustments of assets held for investment		0	0
Gross profit after value adjustments		1,208,397	1,560,809
Staff expenses	2	-578,963	-452,236
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-349,988	-393,973
Other operating expenses		-54,561	-5,136
Profit/loss before financial income and expenses		224,885	709,464
Financial income	3	15,545	1,422,782
Financial expenses		-172,775	-223,646
Profit/loss before tax		67,655	1,908,600
Tax on profit/loss for the year	4	-22,128	-423,433
Net profit/loss for the year		45,527	1,485,167

Distribution of profit

	2023	2022
	EUR	EUR
Proposed distribution of profit		
Retained earnings	45,527	1,485,167
	45,527	1,485,167

Balance sheet 31 December

Assets

	Note	2023	2022
		EUR	EUR
Land and buildings	6	4,141,316	4,145,884
Investment properties	5	9,185,679	8,687,205
Biological assets	5	950,971	915,388
Other fixtures and fittings, tools and equipment	6	1,381,904	1,443,711
Property, plant and equipment		15,659,870	15,192,188
Other investments	7	74,778	54,956
Fixed asset investments		74,778	54,956
Fixed assets		15,734,648	15,247,144
Livestock		4,508	3,496
Raw materials and consumables		678,371	774,422
Inventories		682,879	777,918
Trade receivables		168,965	233,256
Receivables from group enterprises		0	176,182
Other receivables		162,769	165,645
Corporation tax receivable from group enterprises		8,124	0
Prepayments		3,483	2,926
Receivables		343,341	578,009
Cash at bank and in hand		27,596	9,396
Current assets		1,053,816	1,365,323
Assets		16,788,464	16,612,467

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		EUR	EUR
Share capital		6,696	6,696
Revaluation reserve		2,136,998	1,708,528
Retained earnings		888,998	824,509
Equity		3,032,692	2,539,733
Provision for deferred tax		814,154	658,464
Provisions		814,154	658,464
Mortgage loans		4,016,874	4,051,658
Payables to group enterprises		8,627,281	8,704,849
Deposits		5,501	5,042
Long-term debt	8	12,649,656	12,761,549
Mortgage loans	8	29,746	29,368
Trade payables		82,942	202,423
Payables to group enterprises	8	84,112	95,450
Payables to group enterprises relating to corporation tax		0	254,111
Other payables		56,565	68,812
Deferred income		38,597	2,557
Short-term debt		291,962	652,721
Debt		12,941,618	13,414,270
Liabilities and equity		16,788,464	16,612,467
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Statement of changes in equity

	Share capital	Revaluation reserve	Retained earnings	Total
	EUR	EUR	EUR	EUR
Equity at 1 January	6,696	1,708,528	824,509	2,539,733
Revaluation for the year	0	573,631	0	573,631
Tax on revaluation for the year	0	-126,199	0	-126,199
Dissolution of previous years' revaluation	0	-18,962	18,962	0
Net profit/loss for the year	0	0	45,527	45,527
Equity at 31 December	6,696	2,136,998	888,998	3,032,692

Notes to the Financial Statements

1. Key activities

The company's activities comprise in operation of farm and farmland.

2. Staff Expenses

	2023	2022
	EUR	EUR
Wages and salaries	524,478	435,997
Pensions	677	-398
Other social security expenses	10,306	8,379
Other staff expenses	43,502	8,258
	578,963	452,236
Average number of employees	10	8

3. Financial income

	2023	2022
	EUR	EUR
Income from securities, which are fixed assets	15,512	19,993
Other financial income	33	1,402,789
	15,545	1,422,782

4. Income tax expense

	2023	2022
	EUR	EUR
Current tax for the year	-8,124	254,120
Deferred tax for the year	156,451	376,039
	148,327	630,159
thus distributed:		
Income tax expense	22,128	423,433
Tax on equity movements	126,199	206,726
	148,327	630,159

Notes to the Financial Statements

5. Assets measured at fair value

	Investment properties	Biological assets
	EUR	EUR
Cost at 1 January	6,462,617	829,408
Additions for the year	53,670	64,082
Disposals for the year	-70,349	-28,499
Cost at 31 December	<u>6,445,938</u>	<u>864,991</u>
Value adjustments at 1 January	2,190,813	85,980
Revaluations for the year	573,631	0
Reversal of revaluations of sold assets	-24,703	0
Value adjustments at 31 December	<u>2,739,741</u>	<u>85,980</u>
Carrying amount at 31 December	<u>9,185,679</u>	<u>950,971</u>

Assumptions underlying the determination of fair value of investment properties and biological assets

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods.

The fair value of Investment properties has been calculated based on the following assumptions:

	2023	2022
	EUR	EUR
The fair value of investment properties amounts to	9,185,679	8,687,205
The fair value of biological assets amounts to	955,479	918,884
Value adjustment, income statement	0	0

Investment properties

The fair value of investment properties at 31 December 2023 has been assessed by an independent assessor.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material.

Biological assets

The fair value of biological assets relate to herds, consisting of cows, heifers, calves and bulls. The biological assets are measured annually based on an active market and indicate market values calculated by SEGES.

Notes to the Financial Statements

6. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	EUR	EUR
Cost at 1 January	4,535,440	1,999,026
Additions for the year	158,789	118,447
Disposals for the year	0	-40,608
Cost at 31 December	<u>4,694,229</u>	<u>2,076,865</u>
Impairment losses and depreciation at 1 January	389,556	521,540
Depreciation for the year	163,357	186,630
Reversal of impairment and depreciation of sold assets	0	-13,209
Impairment losses and depreciation at 31 December	<u>552,913</u>	<u>694,961</u>
Carrying amount at 31 December	<u>4,141,316</u>	<u>1,381,904</u>

7. Other fixed asset investments

	Other investments
	EUR
Cost at 1 January	54,956
Additions for the year	19,822
Cost at 31 December	<u>74,778</u>
Carrying amount at 31 December	<u>74,778</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	EUR	EUR
8. Long-term debt		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt falls due for payment as specified below:		
Mortgage loans		
After 5 years	3,893,335	3,966,349
Between 1 and 5 years	123,539	85,309
Long-term part	<u>4,016,874</u>	<u>4,051,658</u>
Within 1 year	29,746	29,368
	<u>4,046,620</u>	<u>4,081,026</u>
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	8,627,281	8,704,849
Long-term part	<u>8,627,281</u>	<u>8,704,849</u>
Other short-term debt to group enterprises	84,112	95,450
	<u>8,711,393</u>	<u>8,800,299</u>
Deposits		
After 5 years	5,501	5,042
Long-term part	<u>5,501</u>	<u>5,042</u>
Within 1 year	0	0
	<u>5,501</u>	<u>5,042</u>
	<u>2023</u>	<u>2022</u>
	EUR	EUR
9. Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Land and buildings with a carrying amount of	13,326,995	12,833,089

Notes to the Financial Statements

2023

2022

EUR

EUR

9. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Harvest Group 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, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name

Place of registered office

Farm Company A/S

Ravnholtgyden 5, 6600 Vejen, Denmark

Notes to the Financial Statements

11. Accounting policies

The Annual Report of Nørregaard Årre ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

EUR is used as the presentation currency. All other currencies are regarded as foreign currencies.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods 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.

Income from the rental of properties is recognised in the income statement for the relevant period.

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

Expenses for raw materials and consumables

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

Other external expenses

Other external expenses comprise expenses production and premises as well as administrative expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Notes to the Financial Statements

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish Group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Investment properties

Investment properties constitute land held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition.

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

After the initial recognition investment properties are measured at cost with revaluation at fair value recognized under the revaluation in equity. An independent valuer has been used to determine the fair value.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of certain investment properties has been assessed by the independent assessor firm Nybolig Landbrug at 31 December 2023.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Notes to the Financial Statements

In Management's opinion the determination of fair value of properties for the year was enabled through comparable market transactions and, consequently, valuation is based on the expected selling price of investment properties

Biological assets

On initial recognition, biological assets, which comprise living plants and animals that are biological transformed and acquired for the purpose of sale, conversion, consumption or breeding/culture of further animals and plants, are measured at cost. Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Subsequent to initial recognition, biological assets are measured in the balance sheet at fair value less costs to sell. Fair value is determined at the most recent selling prices ascertained in markets for similar assets.

Other property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	10 - 50 years
Other plant, fixtures and fittings, tools and equipment	3 - 20 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments, which consist of cooperative accounts, are measured at cost.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

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 and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Notes to the Financial Statements

On initial recognition, biological assets, which comprise living plants and animals for biological transformation, acquired for the purpose of sale, conversion, consumption or breeding/culture of further animals and plants, are measured at cost. Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. During the period of growth and until the time of harvest, biological assets are measured in the balance sheet at fair value less expected selling costs. Fair value is the amount at which the assets could be sold to an independent buyer. Fair value is determined at the most recent selling prices ascertained in markets for similar assets.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Revaluation reserve comprises revaluation of investment properties at fair value. The revaluation reserve is measured less deferred tax and reduced by depreciation of the revalued assets. On the disposal of the assets, the remaining amount is transferred from the revaluation reserve to retained earnings.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.