



## Tanaco Danmark A/S

Glentevej 11  
6705 Esbjerg Ø  
CVR No. 71361411

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 06.07.2020

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**Claire Elizabeth Larcombe**  
Chairman of the General Meeting

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# Entity details

## Entity

Tanaco Danmark A/S

Glentevej 11

6705 Esbjerg Ø

CVR No.: 71361411

Registered office: Esbjerg

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Claire Elizabeth Larcombe

Andrew Rex Milner

Karl Kenneth Silandersson

## Executive Board

Claire Elizabeth Larcombe

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

P. O. Box 200

6701 Esbjerg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Tanaco Danmark 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.

Esbjerg, 06.07.2020

## Executive Board

**Claire Elizabeth Larcombe**

## Board of Directors

**Claire Elizabeth Larcombe**

**Andrew Rex Milner**

**Karl Kenneth Silvandersson**

# Independent auditor's report

## To the shareholders of Tanaco Danmark A/S

### Opinion

We have audited the financial statements of Tanaco Danmark 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.

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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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 audit 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 audit 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 the 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.

Esbjerg, 06.07.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jørn Jepsen**

State Authorised Public Accountant  
Identification No (MNE) mne24824

**Claus Vium Jensen**

State Authorised Public Accountant  
Identification No (MNE) mne33724

# Management commentary

## Primary activities

The principal activity of the Company is the supply and distribution of pest control products into the global professional pest control and retail markets.

## Development in activities and finances

Although net sales have increased by 3.6% in FY19 compared to FY18, gross profit reduced by 37% or DKK 2,831,449. The reduction in gross profit is mainly due to an increase in stock provisions and physical stock disposals. Regulatory changes regarding our chemical product offering often have a significant impact on stock obsolescence.

The company's staff costs increased by 5% in the current period. There have not been any material changes to the staffing structure in FY19.

Financial expenses from group enterprises increased significantly in the current period (+DKK 503,223). This is due to the loan position with Pelsis Holding UK Ltd.

The net result for Tanaco Danmark A/S in FY19 is a loss of DKK 2,118,469 compared to a profit of DKK 627,926 in the year ended 31 December 2018.

## Outlook

Sales are expected to grow in FY20 as Tanaco continues to develop the product portfolio, supported by the wider Pelsis Group.

Profitability is expected to increase compared to FY19.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

To date Tanaco has not been materially affected by the COVID19 pandemic and sales are still in line with budget. Although management is monitoring the situation closely, there is no certainty that in the longer term Tanaco will not be affected by the impact of the virus.



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>4,820,616</b>	<b>7,652,065</b>
Staff costs	1	(6,635,277)	(6,321,523)
Depreciation, amortisation and impairment losses	2	(485,975)	(509,287)
<b>Operating profit/loss</b>		<b>(2,300,636)</b>	<b>821,255</b>
Income from investments in group enterprises		353,804	269,520
Other financial income		620	10,231
Financial expenses from group enterprises		(804,979)	(301,756)
Other financial expenses		(53,550)	(53,926)
<b>Profit/loss before tax</b>		<b>(2,804,741)</b>	<b>745,324</b>
Tax on profit/loss for the year	3	686,272	(117,398)
<b>Profit/loss for the year</b>		<b>(2,118,469)</b>	<b>627,926</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(2,118,469)	627,926
<b>Proposed distribution of profit and loss</b>		<b>(2,118,469)</b>	<b>627,926</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Acquired licences		677,742	706,121
<b>Intangible assets</b>		<b>677,742</b>	<b>706,121</b>
Other fixtures and fittings, tools and equipment		50,432	137,110
Leasehold improvements		4,891	13,261
<b>Property, plant and equipment</b>		<b>55,323</b>	<b>150,371</b>
Investments in group enterprises		2,507,610	2,153,806
Deposits		30,000	30,000
<b>Other financial assets</b>	4	<b>2,537,610</b>	<b>2,183,806</b>
<b>Fixed assets</b>		<b>3,270,675</b>	<b>3,040,298</b>
Manufactured goods and goods for resale		10,517,946	8,284,322
<b>Inventories</b>		<b>10,517,946</b>	<b>8,284,322</b>
Trade receivables		2,209,961	2,596,520
Receivables from group enterprises		24,389	0
Deferred tax		428,000	0
Other receivables		106,876	0
Income tax receivable		311,611	0
Prepayments		151,741	133,910
<b>Receivables</b>		<b>3,232,578</b>	<b>2,730,430</b>
Other investments		14,620	14,000
<b>Other investments</b>		<b>14,620</b>	<b>14,000</b>
<b>Cash</b>		<b>1,165,047</b>	<b>394,058</b>
<b>Current assets</b>		<b>14,930,191</b>	<b>11,422,810</b>
<b>Assets</b>		<b>18,200,866</b>	<b>14,463,108</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		500,000	500,000
Reserve for net revaluation according to the equity method		2,427,610	2,073,806
Retained earnings		2,827,091	5,299,364
<b>Equity</b>		<b>5,754,701</b>	<b>7,873,170</b>
Deferred tax		0	105,000
Other provisions		532,328	0
<b>Provisions</b>		<b>532,328</b>	<b>105,000</b>
Trade payables		874,932	1,092,162
Payables to group enterprises		8,241,952	3,814,270
Income tax payable		0	42,000
Other payables		2,796,953	1,536,506
<b>Current liabilities other than provisions</b>		<b>11,913,837</b>	<b>6,484,938</b>
<b>Liabilities other than provisions</b>		<b>11,913,837</b>	<b>6,484,938</b>
<b>Equity and liabilities</b>		<b>18,200,866</b>	<b>14,463,108</b>
Contingent liabilities	5		
Assets charged and collateral	6		
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# Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	2,073,806	5,299,364	7,873,170
Profit/loss for the year	0	353,804	(2,472,273)	(2,118,469)
<b>Equity end of year</b>	<b>500,000</b>	<b>2,427,610</b>	<b>2,827,091</b>	<b>5,754,701</b>

# Notes

## 1 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	6,092,112	5,864,342
Pension costs	420,229	370,438
Other social security costs	122,936	86,743
	<b>6,635,277</b>	<b>6,321,523</b>
Average number of full-time employees	<b>14</b>	<b>14</b>

## 2 Depreciation, amortisation and impairment losses

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	390,928	356,116
Depreciation of property, plant and equipment	95,047	190,305
Profit/loss from sale of intangible assets and property, plant and equipment	0	(37,134)
	<b>485,975</b>	<b>509,287</b>

## 3 Tax on profit/loss for the year

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(155,611)	160,000
Change in deferred tax	(533,000)	(48,000)
Adjustment concerning previous years	2,339	5,398
	<b>(686,272)</b>	<b>117,398</b>

#### 4 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	80,000	30,000
<b>Cost end of year</b>	<b>80,000</b>	<b>30,000</b>
Revaluations beginning of year	2,073,806	0
Share of profit/loss for the year	551,713	0
Adjustment of intra-group profits	(197,909)	0
<b>Revaluations end of year</b>	<b>2,427,610</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>2,507,610</b>	<b>30,000</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Tanaco Production ApS	Esbjerg, Denmark	ApS	100

#### 5 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 these entities.

Liabilities under rental or lease agreements yearly comprise of DKK 893k.

#### 6 Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on other fixtures and fitting, tools and equipment of DKK 500k nominal.

The carrying amount of mortgaged other fixtures and fittings, tools and equipment is DKK 50k.

#### 7 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Hamsard 3468 Limited  
Sterling House, Grimbald Crag Close, Knaresborough, North Yorkshire, HG5 8PJ

# 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.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials, consumables, other operating income and external expenses.

### 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.

### Other operating income

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

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory

writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of equipment.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets etc.

**Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise acquired licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.



### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 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.

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### 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.

**Income tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Other investments**

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments and returns etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

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