



Bønnelykken A/S

Mellem Broerne 12
4100 Ringsted
CVR No. 73321417

Annual report 2019

The Annual General Meeting adopted the
annual report on 24.04.2020

Michael René Nyberg

Chairman of the General Meeting

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Entity details

Entity

Bønnelykken A/S

Mellem Broerne 12

4100 Ringsted

CVR No.: 73321417

Registered office: Ringsted

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Franciscus Maria Hessing

Joannes Maria Hessing

Wouter Harlaar

Executive Board

Michael René Nyberg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

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

Ringsted, 24.04.2020

Executive Board

Michael René Nyberg

Board of Directors

Franciscus Maria Hessing

Joannes Maria Hessing

Wouter Harlaar

Independent auditor's extended review report

To the shareholders of Bønnelykken A/S

Report on extended review of the financial statements

Conclusion

We have performed an extended review of the financial statements of Bønnelykken 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.

Based on our extended review, 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 conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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 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.

Violation of Danish corporate law

In violation of the Danish Company Act the Entity has granted loan to the Company's management in 2018. The loan has been repaid in 2019. Management can be held responsible therefore.

Kolding, 24.04.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Almtoft Lund

State Authorised Public Accountant
Identification No (MNE) mne41365

Management commentary

Primary activities

The Company's activities consist in the production and sale of sliced salads and seeds products primarily to the Danish market.

Description of material changes in activities and finances

The profit for the year amounts to DKK 735k against a profit last year of DKK 524k.

The Board of Directors considers the enterprise's operations for 2019 as satisfying.

It is Management's assessment that the company has sufficient funds to continue the operations in 2019 and refers to note 1 regarding going concern.

The company's equity has been reestablished through receiving group contribution of DKK 10,622k.

Events after the balance sheet date

The company has experienced a great growth in the first quarter of 2020 of about 40%.

However, the outbreak and spread of the COVID-19 disease in early 2020 have caused an expected reduction of the company's turnover in the period after March 2020 and onwards of about 50%, compared to expectations at the onset of the year. This decline is mainly a result of reduced assortments, as well as lack of traffic in stores. The Entity's consumption of temporary workers has gone from about 30% to 0% in 2020. Similarly, the permanent staff is adapted to the activities and the production times redistributed. The development is closely monitored and actions are carried out as necessary.

Based on the assumption that the effect of the COVID-19 disease will decrease during the second quarter of 2020, Management has estimated that there is no need to write down the Entity's assets. Currently, it is not possible, however, to reliably estimate when the effect of the COVID-19 disease will ease off, and revenue and operating activities of the Entity will normalise. Depending on the time frame for normalisation of the Entity's revenue and the impact on its revenue and costs until then, subsequent impairment losses may arise and they may be substantial.

Apart from this, no events have occurred after the balance sheet date which would influence the evaluation of the annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		32,233,953	23,545,723
Staff costs	3	(29,942,629)	(21,635,120)
Depreciation, amortisation and impairment losses	4	(1,030,182)	(915,531)
Operating profit/loss		1,261,142	995,072
Other financial income		0	788
Other financial expenses	5	(526,537)	(471,645)
Profit/loss for the year		734,605	524,215
Proposed distribution of profit and loss			
Retained earnings		734,605	524,215
Proposed distribution of profit and loss		734,605	524,215

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Goodwill		0	0
Intangible assets	6	0	0
Other fixtures and fittings, tools and equipment		2,322,935	1,306,178
Leasehold improvements		483,616	989,328
Property, plant and equipment	7	2,806,551	2,295,506
Investments in group enterprises		807,343	807,343
Other financial assets	8	807,343	807,343
Fixed assets		3,613,894	3,102,849
Raw materials and consumables		3,720,192	2,567,825
Inventories		3,720,192	2,567,825
Trade receivables		3,765,262	1,117,663
Receivables from group enterprises		1,916,056	1,585,168
Other receivables		2,273,347	124,642
Receivables from owners and management	9	0	8,625
Prepayments		354,986	0
Receivables		8,309,651	2,836,098
Cash		2,059,203	4,383,125
Current assets		14,089,046	9,787,048
Assets		17,702,940	12,889,897

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		2,470,000	2,470,000
Retained earnings		2,198,112	(9,158,080)
Equity		4,668,112	(6,688,080)
Payables to group enterprises		0	10,203,428
Other payables	10	246,344	0
Non-current liabilities other than provisions		246,344	10,203,428
Trade payables		8,234,116	5,580,698
Payables to group enterprises		3,492,855	2,684,268
Other payables		1,061,513	1,109,583
Current liabilities other than provisions		12,788,484	9,374,549
Liabilities other than provisions		13,034,828	19,577,977
Equity and liabilities		17,702,940	12,889,897
Going concern	1		
Events after the balance sheet date	2		
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Group relations	13		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,470,000	(9,158,080)	(6,688,080)
Group contributions etc	0	10,621,587	10,621,587
Profit/loss for the year	0	734,605	734,605
Equity end of year	2,470,000	2,198,112	4,668,112

Notes

1 Going concern

The parent company Hessing B.V., the Netherlands, has granted a group contribution in 2019, which affected the company's equity positively with DKK 10,622k. As a consequence the equity has been reestablished.

Based hereon and other agreements with group enterprises Management assess that Bønnelykken A/S has sufficient funds to pay all known liabilities as of 31 December 2019 and finance the following 12 months period.

On this basis, Management find that the company has sufficient funds to continue its operations in 2020 and presents the annual report on the basis of going concern.

2 Events after the balance sheet date

The company has experienced a great growth in the first quarter of 2020 of about 40%.

However, the outbreak and spread of the COVID-19 disease in early 2020 have caused an expected reduction of the company's turnover in the period after March 2020 and onwards of about 50%, compared to expectations at the onset of the year. This decline is mainly a result of reduced assortments, as well as lack of traffic in stores. The Entity's consumption of temporary workers has gone from about 30% to 0% in 2020. Similarly, the permanent staff is adapted to the activities and the production times redistributed. The development is closely monitored and actions are carried out as necessary.

Based on the assumption that the effect of the COVID-19 disease will decrease during the second quarter of 2020, Management has estimated that there is no need to write down the Entity's assets. Currently, it is not possible, however, to reliably estimate when the effect of the COVID-19 disease will ease off, and revenue and operating activities of the Entity will normalise. Depending on the time frame for normalisation of the Entity's revenue and the impact on its revenue and costs until then, subsequent impairment losses may arise and they may be substantial.

Apart from this, no events have occurred after the balance sheet date which would influence the evaluation of the annual report.

3 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	27,699,881	20,127,486
Pension costs	1,142,373	944,060
Other social security costs	318,633	0
Other staff costs	781,742	563,574
	29,942,629	21,635,120

Average number of full-time employees	16	16
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Staff costs comprises wages and salaries related to staff employed in the fully owned subsidiary Grønne Mølle A/S, which are invoiced to Bønnelykken A/S as part of the ordinary operations.

4 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Depreciation of property, plant and equipment	1,030,182	915,531
	1,030,182	915,531

5 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	153,051	193,867
Other interest expenses	373,486	277,778
	526,537	471,645

6 Intangible assets

	Goodwill DKK
Cost beginning of year	3,050,000
Cost end of year	3,050,000
Amortisation and impairment losses beginning of year	(3,050,000)
Amortisation and impairment losses end of year	(3,050,000)
Carrying amount end of year	0

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,335,685	5,537,615
Additions	1,512,477	28,750
Cost end of year	8,848,162	5,566,365
Depreciation and impairment losses beginning of year	(6,029,507)	(4,548,287)
Depreciation for the year	(495,720)	(534,462)
Depreciation and impairment losses end of year	(6,525,227)	(5,082,749)
Carrying amount end of year	2,322,935	483,616

8 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	1,676,250
Cost end of year	1,676,250
Impairment losses beginning of year	(868,907)
Impairment losses end of year	(868,907)
Carrying amount end of year	807,343

9 Receivables from owners and management

Receivables from Management constituted DKK 9k as of 31 December 2018. Interest has been calculated according to the Danish Company Act with 10,05% p.a. The receivables have been repayed in 2019, and there is no receivables from management as of 31 December 2019.

10 Other payables

	2019 DKK	2018 DKK
Holiday pay obligation	246,344	0
	246,344	0

11 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	921,416	1,021,136

12 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 from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

13 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Hessing BV, Netherland, Chamber of Commerce: 39099739.

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 and work in progress, own work capitalised, other operating income, cost of raw materials and consumables 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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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

Amortisation, depreciation and impairment losses relating to intangible assets and plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as plant and equipment. .

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other 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	3-8 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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 unamortised goodwill and 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 in 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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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