

# **Arla Foods Trading A/S**

Sønderhøj 14

8260 Viby J

CVR No. 73444217

## **Annual Report 2021**

The Annual Report was presented and approved at the Annual General Meeting of the Company on 23 May 2022

---

Peter Stenholt Randrup  
Chairman

## **Arla Foods Trading A/S**

### **Contents**

Management's Statement	3
Independent Auditor's Report	4
Company details	6
Management's Review	7
Accounting Policies	8
Income Statement	10
Balance Sheet	11
Statement of changes in Equity	13
Notes	14

**Arla Foods Trading A/S**

## **Management's Statement**

Today, Management has considered and approved the Annual Report of Arla Foods Trading A/S for the financial year 1 January 2021 - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Aarhus, 23 May 2022

### **Executive Board**

Carsten Just Andersen

### **Board of Directors**

John Duus Andresen  
Chairman

Bjorn Kamps

Joris Andersen

## Independent Auditor's Report

### To the shareholders of Arla Foods Trading A/S

#### **Opinion**

We have audited the financial statements of Arla Foods Trading A/S for the financial year 1 January 2021 - 31 December 2021, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021 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 responsibility under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

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

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- \* 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent Auditor's Report

- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- \* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Aarhus, 23 May 2022

### EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Henrik Kronborg Iversen  
State Authorised Public Accountant  
mne24687

Jan Krarup Mortensen  
State Authorised Public Accountant  
mne40030

## Arla Foods Trading A/S

### Company details

<b>Company</b>	Arla Foods Trading A/S Sønderhøj 14 8260 Viby J
Telephone	89381000
CVR No.	73444217
<b>Board of Directors</b>	John Duus Andresen, chairman Bjorn Kamps Joris Andersen
<b>Executive Board</b>	Carsten Just Andersen
<b>Auditors</b>	EY Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C CVR-no.: 30700228

## Management's Review

### **The Company's principal activities**

The Company's principal activities consist in export of a number of food products outside the dairy segment. The Company also has a booth in Torvehallerne in Copenhagen and a store in Aarhus, as well as a webshop for marketing of the UNIKA assortment.

### **Development in activities and the financial situation**

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of kDKK -639 and the Balance Sheet at 31 December 2021 a balance sheet total of kDKK 15.356 and an equity of kDKK 1.764. The result is in line with the expectations for the year and the impact from COVID-19 was not material in nature.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## **Arla Foods Trading A/S**

### **Accounting Policies**

#### **Reporting Class**

The Annual Report of Arla Foods Trading A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

#### **Reporting currency**

The Annual Report is presented in thousand Danish kroner.

#### **Translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial income and costs.

### **Income Statement**

#### **Revenue**

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive VAT, duties and net of sales discounts.

#### **Raw materials and consumables used**

Costs for raw materials and consumables includes the purchase of goods and services for the purpose of resale hereof.

#### **Other external costs**

Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debtors etc.

#### **Staff costs**

Staff costs comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

#### **Depreciation and impairment of tangible assets**

Depreciation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life.

#### **Financial income and costs**

Financial income and costs are recognised in the Income Statement based on the amounts that concern the financial year.

#### **Tax on net profit 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

#### Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and costs directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	5 years

#### Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

#### 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.

#### Liabilities

Liabilities are measured at amortised cost.

#### 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.

Arla Foods Trading A/S

Income Statement

	Note	2021 kDKK	2020 kDKK
Revenue		54.064	54.280
Raw materials and cosumables used		-43.843	-46.537
Other external costs		-6.766	-2.932
<b>Gross profit/loss</b>		<b>3.455</b>	<b>4.811</b>
Staff costs	1	-4.359	-3.477
Depreciation and impairment losses		0	-49
<b>Operating profit/loss</b>		<b>-904</b>	<b>1.285</b>
Financial income	2	146	309
Financial costs	3	-122	-503
<b>Profit/loss before tax</b>		<b>-880</b>	<b>1.091</b>
Tax	4	241	-257
<b>Profit/loss for the year</b>		<b>-639</b>	<b>834</b>
<b>Proposed distribution of results</b>			
Retained earnings		-639	834
<b>Distribution of profit/loss</b>		<b>-639</b>	<b>834</b>

Arla Foods Trading A/S

Balance Sheet as of 31 December

	Note	2021 kDKK	2020 kDKK
<b>Assets</b>			
Fixtures, fittings, tools and equipment	5	0	0
<b>Property, plant and equipment</b>		<b>0</b>	<b>0</b>
<b>Non-current assets</b>			
Finished goods and goods for resale		2.212	1.472
<b>Inventories</b>		<b>2.212</b>	<b>1.472</b>
Trade receivables		2.369	1.532
Receivables from group companies		7.753	10.657
Current tax		203	0
Other receivables		2.816	1.430
<b>Receivables</b>		<b>13.141</b>	<b>13.619</b>
<b>Cash and cash equivalents</b>		<b>3</b>	<b>5</b>
<b>Current assets</b>		<b>15.356</b>	<b>15.096</b>
<b>Assets</b>		<b>15.356</b>	<b>15.096</b>

Arla Foods Trading A/S

Balance Sheet as of 31 December

	Note	2021 kDKK	2020 kDKK
<b>Liabilities and equity</b>			
Contributed capital		503	503
Retained earnings		1.261	1.900
<b>Equity</b>		<b>1.764</b>	<b>2.403</b>
Trade payables		3.422	4.199
Payables to group companies		9.829	7.497
Current tax		0	238
Other payables		341	759
<b>Short-term liabilities</b>		<b>13.592</b>	<b>12.693</b>
<b>Liabilities</b>		<b>13.592</b>	<b>12.693</b>
<b>Liabilities and equity</b>		<b>15.356</b>	<b>15.096</b>
Contingent liabilities	6		
Related parties	7		

## Arla Foods Trading A/S

### Statement of changes in Equity

kDKK

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2021	503	1.900	2.403
Profit (loss)	0	-639	-639
<b>Equity 31 December 2021</b>	<b>503</b>	<b>1.261</b>	<b>1.764</b>

Except for the increase of share capital by DKK 1.000 in 2016, the share capital has remained unchanged for the past 5 years.

The company's share capital consists of 503 shares with a nominal value of DKK 1.000 or multiples thereof.

## Notes

	<b>2021</b>	<b>2020</b>
	<b>kDKK</b>	<b>kDKK</b>
<b>1. Staff costs</b>		
Wages and salaries	3.975	3.212
Pension	362	249
Social security contributions	22	16
	<b>4.359</b>	<b>3.477</b>
Average number of employees	10	7
No remuneration was paid out during the financial year to Management and Board of Directors.		
<b>2. Financial income</b>		
Financial income from group companies	54	112
Other financial income	92	197
	<b>146</b>	<b>309</b>
<b>3. Financial costs</b>		
Other financial costs	122	503
	<b>122</b>	<b>503</b>
<b>4. Tax</b>		
Current income tax	-203	238
Adjustment for current income tax of previous years	-38	19
	<b>-241</b>	<b>257</b>
<b>5. Fixtures, fittings, tools and equipment</b>		
Cost at 1 January	1.306	1.306
<b>Cost at 31 December</b>	<b>1.306</b>	<b>1.306</b>
Depreciation and impairments at 1 January	-1.306	-1.257
Depreciation for the year	0	-49
<b>Depreciation and impairments at 31 December</b>	<b>-1.306</b>	<b>-1.306</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>

**6. Contingent liabilities**

The company has joint and several tax liability, with other Danish group companies for company taxes. This also includes withholding taxes on dividends, interest and royalties within the group. The total known net tax liability of the jointly taxed companies is shown in the management company's annual accounts of Arla Foods Holding A/S CVR no 27466052. Any subsequent corrections to co-taxation income and withholding tax etc. could result in the company's liability being higher or lower.

Rent contracts amounts to 613 kDKK, compared to 613 kDKK in 2020.

**Notes**

**7. Related parties**

Consolidated financial statements:

The Company is a wholly owned subsidiary of AF A/S, Viby J and is included in the consolidated financial statements of Arla Foods Amba. The consolidated financial statements can be obtained at the following address: Arla Foods Amba, Sønderhøj 14, 8260 Viby J.