# Cargill Scandinavia ApS

Annual report for the period June 1st, 2015 - May 31st, 2016

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CVR no. 77 86 80 11

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# Cargill Scandinavia ApS Annual report for the period June 1<sup>st</sup>, 2015 – May 31<sup>st</sup>, 2016 CVR no. 77 86 80 11

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Cargill Scandinavia ApS for the financial year June 1<sup>st</sup>, 2015 – May 31<sup>st</sup>, 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at May 31st, 2016 and of the results of the Company's operations for the financial year June 1st, 2015 – May 31st, 2016.

Further, in our opinion, the Management's review gives a fair review of the matters addressed therein.

We recommend that the annual report be approved at the annual general meeting.

Mirko Fischer

Søborg, October 17th, 2016

**Executive Board:** 

Mirko Fischer

Board of Directors:

Jørgen Østergaard Larsen

Chairman



#### Independent auditor's report

#### To the shareholder of Cargill Scandinavia ApS

#### Independent auditor's report on the financial statements

We have audited the financial statements of Cargill Scandinavia ApS for the financial year June 1<sup>st</sup>, 2015 – May 31<sup>st</sup>, 2016. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### Management's responsibility for the financial statements

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

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud of error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.



#### Independent auditors' report

#### Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at May 31<sup>st</sup>, 2016 and of the results of the Company's operations for the financial year June 1<sup>st</sup>, 2015 – May 31<sup>st</sup>, 2016 in accordance with the Danish Financial Statements Act.

#### Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, October 17<sup>th</sup>, 2016 **KPMG**Statsautoriseret Revisionspartnerselskab CVR no 25 57 81 98

Jacob Lehman State Authorised Public Accountant

#### **Management's review**

#### **Company details**

Cargill Scandinavia ApS Vandtårnsvej 62 B 2860 Søborg

Telephone: +45 45 46 90 00 CVR no.: 77 86 80 11 May 22<sup>nd</sup>, 1985 Registered office: Glazare

Financial year: June 1st – May 31st

#### **Board of Directors**

Jørgen Østergaard Larsen Mirko Fischer

#### **Executive Board**

Mirko Fischer

#### **Auditor**

KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 Copenhagen Ø

#### Annual general meeting

The annual general meeting will be held on October 17th, 2016.

Cargill Scandinavia ApS
Annual report for the period June 1st, 2015 – May 31st, 2016
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#### Management's review

#### Operating review

#### **Principal activities**

The Company's principal activity is to carry on business within trading, investment, finance, administration, etc., including trading and investment in real property, and to hold shares in companies within the same business area.

#### Results for the period

The Company reported a result of EUR 650 thousand compared to EUR 5,396 thousand in 2014/15. The reported profit are in line with the expectations after last year's liquidation of the Company's subsidiary and the merger with it's subsidiary Copenhagen Golfpark II ApS as of June 1st, 2015.

At May 31st, 2016, the Company's equity were still negative EUR 8,194 thousand (May 31st, 2015 negative EUR 8,817 thousand) and the Company is subject to the provision of the Danish Companies Act regarding loss of Company capital. The ultimate parent company Cargill Incorporates confirmed to support the Company regarding provision of the necessary financing of operations.

#### Outlook

The Company forecasts results for the financial year 2016/17 at the same level as in 2015/16.

#### Events after the balance sheet date

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

#### **Accounting policies**

The annual report of Cargill Scandinavia ApS for 2015/16 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

A tax-free vertical merger has been performed between Cargill Scandinavia ApS and the subsidiary Copenhagen Golfpark II ApS with effect as of June 1<sup>st</sup>, 2015 with Cargill Scandinavia ApS as the surviving company. The uniting-of-interests method has been used for the merger. The Company has in accordance with the Danish Financial Statement Act chosen not to adjust the comparative figures for 2014/15 (period June 1<sup>st</sup>, 2015 – May 31<sup>st</sup>, 2016), which therefore correspond to last year's financial figures for the surviving company. Cargill Scandinavia ApS.

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

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in EUR'000.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

#### Other external charges

Other external charges comprise administrative expenses.

#### Accounting policies

#### Financial income and expenses

Financial income and expenses comprise interest income/expense, value adjustments and fees.

#### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is jointly taxed with the Danish entities of the Cargill Group. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). This means that companies with tax losses receive refunds from the other jointly taxed companies.

#### **Balance sheet**

#### Investments in group entities

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the parent company's accounting policies plus or minus unrealised intra-group gains or losses plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at EUR 0, and any receivables from these entities are written down by the parent company's share of the negative net asset value. To the extent that the negative balance exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost.

#### Other financial assets

Other financial assets compromise receivables from Group entities. Receivables are measured at amortised cost. The value is reduced by write-down for bad debts.

#### **Accounting policies**

#### Receivables

Receivables are measured at amortised cost. The value is reduced by write-down for bad debts.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Deferred net tax assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement and in equity, respectively.

#### Liabilities other than provisions

Liabilities are measured at net realisable value.

#### **Income statement**

	Note	2015/16	2014/15
EUR'000 Other external charges		225	-38
Operating profit		225	-38
Income from other equity investments		0	5,061
Financial income	1	0	345
Financial expenses	2	0	-1
Profit before tax		225	5,367
Tax on profit/loss for the year		425	29
Profit for the year		650	5,396
Proposed profit appropriation/distribution of lo Retained earnings	SS	650	5,396
		650	5,396

## Financial statements June 1<sup>st</sup>, 2015 – May 31<sup>st</sup>, 2016

#### **Balance sheet**

		31 May	31 May
EUR'000	Note	2016	2015
ASSETS			
Non-current assets			
Investments			
Investments in group entities	3	0	0
Receivables from group entities	4	0	4,235
		0	4,235
Total non-current assets		0	4,235
Current assets			
Corporation tax receivable		656	0
Deferred tax asset		3,248	0
		3,904	0
Cash at bank and in hand		18	116
Total current assets		3,922	116
TOTAL ASSETS		3,922	4,351
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#### **Balance sheet**

EUR'000 EQUITY AND LIABILITIES	Note	31 May 2016	31 May 2015
Equity Share capital	5	402	400
Retained earnings		403 -8,597	403 -9,220
Total equity		-8,194	-8,817
Liabilities Current liabilities			
Payables to group entities		12,097	13,066
Corporation tax payable Other payables		0 19	67 35
		12,116	13,168
Total liabilities		12,116	13,168
TOTAL EQUITY AND LIABILITIES		3,922	4,351
Contingent liabilities Related party disclosures	6 7		

#### **Notes**

	EUR'000	2015/16	2014/15
1	Financial income Interest income from group entities	0	345
		0	345
2	Financial expenses Interest expenses to group entities	0	1
	merest expenses to group entage	0	1
3	Investments in group entities		penhagen lfpark II
	EUR'000  Cost at June 1 <sup>st</sup> , 2015  Disposals by merger		20,125 -20,125
	Cost at May 31st, 2016		0
	Value adjustment at June 1 <sup>st</sup> , 2015 Set-off against receivables June 1 <sup>st</sup> , 2015 Disposals by merger		21,049 -924 -20,125
	Value adjustment at May 31st, 2016	_	0
	Carrying amount at May 31st, 2016	_	0

#### **Notes**

#### 4 Receivables from group entities

EUR'000	2015/16
Cost at June 1st, 2015	4,235
Disposals due to merger	-4,235
Carrying amount at May 31st, 2016	0

#### 5 Equity

EUR'000	capital	Retained earnings	Total
Balance at June 1st, 2015	403	-9,220	-8,817
Exchange rate adjustment	0	-27	-27
Transferred from profit/loss for the year	0	650	650
Balance at May 31st, 2016	403	-8,597	-8,194

The share capital comprises 75,000 shares of DKK 40 each, equivalent to EUR 402 thousand. All shares rank equally.

There have been no changes in the share capital during the past five years.

The ultimate parent company Cargill Incorporates confirmed to support the Company regarding provision of the necessary financing of operations.

#### 6 Contingent liabilities/assets

The Company is jointly taxed with the Danish entities of the Cargill Group with Cargill Nordic A/S as the administrative company. The Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme.

As part of the acquisition of Cargill Bank A/S in 1996, the Company made a deposit for a guarantee for the compulsory redemption and payment of dividends by Cargill Bank A/S. The deposit is bound for 20 years and expires in 2016. Any deposits will then accrue to the Company. At May 31st 2016, the amount totalled DKK 819 thousand.

#### **Notes**

#### 7 Related party disclosures

Cargill Scandinavia ApS' related parties comprise the following:

#### Control

Cargill Investments, Knowle Hill Park, Faimile Lane, Cobham, Surrey KT 112 PD, United Kingdom

#### Ultimate parent

Cargill Incorporated, Minneapolis, MN-55400, Minnesota, USA.