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# ***Landmeco. Ølgod A/S***

Haulundvej 16, DK-6870 Ølgod

## **Annual Report for 1 January - 31 December 2018**

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CVR No 89 52 41 13

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/5 2019

Karsten Egelund Andersen  
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 Landmeco. Ølgod A/S for the financial year 1 January - 31 December 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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

Ølgod, 23 May 2019

## Executive Board

Karsten Egelund Andersen

## Board of Directors

Lasse Viegand Hansen  
Chairman

Michael Pontoppidan Frost

Martin Gadensgaard

# Independent Auditor's Report

To the Shareholder of Landmeco. Ølgod A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Landmeco. Ølgod A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet 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' 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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 misstatement in Management's Review.

## 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 misstate-

# Independent Auditor's Report

ment, 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.
- 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

# Independent Auditor's Report

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.

Holstebro, 23 May 2019

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Poul Spencer Poulsen  
statsautoriseret revisor  
mne23324

Hans Jørgen Andersen  
statsautoriseret revisor  
mne30211

## Company Information

### **The Company**

Landmeco. Ølgod A/S  
Haulundvej 16  
DK-6870 Ølgod

Telephone: + 45 75 24 55 11

CVR No: 89 52 41 13

Financial period: 1 January - 31 December

Municipality of reg. office: Varde

### **Board of Directors**

Lasse Viegand Hansen, Chairman  
Michael Pontoppidan Frost  
Martin Gadensgaard

### **Executive Board**

Karsten Egelund Andersen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Hjaltensvej 16  
DK-7500 Holstebro

### **Bankers**

Sydbank A/S  
Kongensgade 62  
6701 Esbjerg

## **Management's Review**

Financial Statements of Landmeco. Ølgod A/S for 2018 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 Annual Report has been prepared under the same accounting policies as last year.

### **Key activities**

The company's activities are the manufacture and sale of mechanical equipment for poultry farming and industry.

### **Development in the year**

The income statement of the Company for 2018 shows a profit of DKK 8,079,840, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 29,132,289.

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
<b>Gross profit/loss</b>		<b>34.345.479</b>	<b>27.748.898</b>
Staff expenses	1	-21.927.704	-17.341.164
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-1.531.245	-1.644.620
<b>Profit/loss before financial income and expenses</b>		<b>10.886.530</b>	<b>8.763.114</b>
Financial income		2.142	5.362
Financial expenses	3	-457.084	-447.737
<b>Profit/loss before tax</b>		<b>10.431.588</b>	<b>8.320.739</b>
Tax on profit/loss for the year	4	-2.351.748	-1.888.054
<b>Net profit/loss for the year</b>		<b>8.079.840</b>	<b>6.432.685</b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year	0	4.500.000
Retained earnings	8.079.840	1.932.685
	<b>8.079.840</b>	<b>6.432.685</b>

# Balance Sheet 31 December

## Assets

	Note	2018 DKK	2017 DKK
Land and buildings		19.399.989	19.770.443
Plant and machinery		2.125.282	2.804.514
Other fixtures and fittings, tools and equipment		2.104.502	2.347.171
<b>Property, plant and equipment</b>	5	<b>23.629.773</b>	<b>24.922.128</b>
Other investments		25.000	25.000
<b>Fixed asset investments</b>		<b>25.000</b>	<b>25.000</b>
<b>Fixed assets</b>		<b>23.654.773</b>	<b>24.947.128</b>
<b>Inventories</b>	6	<b>21.133.586</b>	<b>17.059.269</b>
Trade receivables		8.155.018	7.362.017
Receivables from group enterprises		0	137.346
Other receivables		67.213	358.648
Prepayments		266.080	70.260
<b>Receivables</b>		<b>8.488.311</b>	<b>7.928.271</b>
<b>Current asset investments</b>	7	<b>7.755</b>	<b>12.495</b>
<b>Cash at bank and in hand</b>		<b>3.558.734</b>	<b>1.519.199</b>
<b>Currents assets</b>		<b>33.188.386</b>	<b>26.519.234</b>
<b>Assets</b>		<b>56.843.159</b>	<b>51.466.362</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		2.000.000	2.000.000
Retained earnings		27.132.289	19.052.449
Proposed dividend for the year		0	4.500.000
<b>Equity</b>	<b>8</b>	<b><u>29.132.289</u></b>	<b><u>25.552.449</u></b>
Provision for deferred tax		1.161.242	1.010.000
<b>Provisions</b>		<b><u>1.161.242</u></b>	<b><u>1.010.000</u></b>
Mortgage loans		5.058.784	5.511.511
Credit institutions		0	3.225.000
Lease obligations		315.131	543.448
<b>Long-term debt</b>	<b>9</b>	<b><u>5.373.915</u></b>	<b><u>9.279.959</u></b>
Mortgage loans	9	451.340	450.000
Credit institutions	9	252.362	4.656.386
Lease obligations	9	80.347	230.000
Prepayments received from customers		782.203	5.229.525
Trade payables		5.378.028	2.237.446
Payables to group enterprises		5.670.368	0
Corporation tax		2.200.506	1.030.054
Other payables		6.360.559	1.785.396
Deferred income		0	5.147
<b>Short-term debt</b>		<b><u>21.175.713</u></b>	<b><u>15.623.954</u></b>
<b>Debt</b>		<b><u>26.549.628</u></b>	<b><u>24.903.913</u></b>
<b>Liabilities and equity</b>		<b><u>56.843.159</u></b>	<b><u>51.466.362</u></b>
Contingent assets, liabilities and other financial obligations	10		
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# Notes to the Financial Statements

	2018	2017
	DKK	DKK
<b>1 Staff expenses</b>		
Wages and salaries	17.112.553	13.768.172
Pensions	2.311.682	1.815.117
Other social security expenses	150.709	131.229
Other staff expenses	2.352.760	1.626.646
	<b>21.927.704</b>	<b>17.341.164</b>
<b>Average number of employees</b>	<b>38</b>	<b>33</b>
<b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Depreciation of property, plant and equipment	1.531.245	1.666.882
Gain and loss on disposal	0	-22.262
	<b>1.531.245</b>	<b>1.644.620</b>
<b>3 Financial expenses</b>		
Interest paid to group enterprises	157.834	0
Other financial expenses	299.250	447.737
	<b>457.084</b>	<b>447.737</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	2.200.506	1.638.054
Deferred tax for the year	151.242	250.000
	<b>2.351.748</b>	<b>1.888.054</b>

# Notes to the Financial Statements

## 5 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK	DKK
Cost at 1 January	21.356.608	15.708.174	3.998.257
Additions for the year	0	243.930	315.532
Disposals for the year	0	-70.916	0
Cost at 31 December	<u>21.356.608</u>	<u>15.881.188</u>	<u>4.313.789</u>
Impairment losses and depreciation at 1 January	1.586.161	12.903.660	1.651.090
Depreciation for the year	370.458	923.162	558.197
Reversal of impairment and depreciation of sold assets	0	-70.916	0
Impairment losses and depreciation at 31 December	<u>1.956.619</u>	<u>13.755.906</u>	<u>2.209.287</u>
<b>Carrying amount at 31 December</b>	<b><u>19.399.989</u></b>	<b><u>2.125.282</u></b>	<b><u>2.104.502</u></b>
Including assets under finance leases amounting to	<u>0</u>	<u>480.588</u>	<u>0</u>

## 6 Inventories

	2018 DKK	2017 DKK
Raw materials and consumables	15.922.382	17.059.269
Finished goods and goods for resale	5.211.204	0
	<b><u>21.133.586</u></b>	<b><u>17.059.269</u></b>

## 7 Current asset investments

Shares	7.755	12.495
	<b><u>7.755</u></b>	<b><u>12.495</u></b>

# Notes to the Financial Statements

## 8 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	2.000.000	19.052.449	4.500.000	25.552.449
Ordinary dividend paid	0	0	-4.500.000	-4.500.000
Net profit/loss for the year	0	8.079.840	0	8.079.840
<b>Equity at 31 December</b>	<b>2.000.000</b>	<b>27.132.289</b>	<b>0</b>	<b>29.132.289</b>

## 9 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:

	2018	2017
	DKK	DKK
<b>Mortgage loans</b>		
After 5 years	3.256.117	4.190.000
Between 1 and 5 years	1.802.667	1.321.511
Long-term part	5.058.784	5.511.511
Within 1 year	451.340	450.000
	<b>5.510.124</b>	<b>5.961.511</b>
<b>Credit institutions</b>		
After 5 years	0	1.200.000
Between 1 and 5 years	0	2.025.000
Long-term part	0	3.225.000
Within 1 year	0	1.170.000
Other short-term debt to credit institutions	252.362	3.486.386
Short-term part	252.362	4.656.386
	<b>252.362</b>	<b>7.881.386</b>
<b>Lease obligations</b>		
Between 1 and 5 years	315.131	543.448
Long-term part	315.131	543.448
Within 1 year	80.347	230.000
	<b>395.478</b>	<b>773.448</b>

## Notes to the Financial Statements

	2018	2017
	DKK	DKK
<b>10 Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with mortgage credit institutes:		
Land and buildings for which the carrying value is	19.399.989	19.770.443
The following assets have been placed as security with bankers:		
Mortgages registered to the owner of DKK 2.450.000, which provide mortgage in land and buildings for which the carrying value is	19.399.989	19.770.443
The following assets have been placed as security with banks: As security for debt in banks the company has floating charge a nominal amount of DKK 8.000.000. Floating charges includes tangible fixes assets, inventory and trade receivables, as at the balance sheet date has the following values DKK	32.618.705	28.658.517

### 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 Skiold Group A/S, 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.

# Notes to the Financial Statements

## 11 Accounting Policies

The Annual Report of Landmeco. Ølgod A/S for 2018 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.

The Financial Statements for 2018 are presented in DKK.

### 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.

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.



# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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.

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 indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### Gross profit/loss

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

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment 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.

## Balance Sheet

### 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 raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Production buildings	50 years	
Plant and machinery	4-10 years	
Other fixtures and fittings, tools and equipment	4-7	years

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment 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

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

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

The cost of goods for resale, 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 with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

### 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.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### **Current asset investments**

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **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 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 debts**

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

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.