



Tanaco Danmark A/S

Glentevej 11
6705 Esbjerg Ø
CVR No. 71361411

Annual report 2020

The Annual General Meeting adopted the
annual report on 04.03.2021

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: 01.01.2020 - 31.12.2020

Board of Directors

Claire Elizabeth Larcombe

Andrew Rex Milner

Karl Kenneth Silandersson

Executive Board

Claire Elizabeth Larcombe

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 04.03.2021

Executive Board

Claire Elizabeth Larcombe

Board of Directors

Claire Elizabeth Larcombe

Andrew Rex Milner

Karl Kenneth Silvandersson

Independent auditor's extended review report

To the shareholders of Tanaco Danmark A/S

Conclusion

We have performed an extended review of the financial statements of Tanaco Danmark A/S for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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.

Esbjerg, 04.03.2021

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

Net sales have increased by 7.5% in FY20 compared to FY19, gross profit increased by 73 % or DKK 3,525,586. The increase in gross profit is mainly due to an reduction 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.

Financial expenses from group enterprises decreased in the current period (+DKK 250,832).

The net result for Tanaco Danmark A/S in FY20 is a profit of DKK 893,539 compared to a loss of DKK 2,118,469 in the year ended 31 December 2019.

Outlook

Sales are expected to grow in FY21 as Tanaco continues to develop the product portfolio, supported by the wider Pelsis Group.

Profitability is expected to increase compared to FY20.

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 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		8,346,203	4,820,617
Staff costs	1	(6,948,461)	(6,635,278)
Depreciation, amortisation and impairment losses	2	(267,237)	(485,975)
Operating profit/loss		1,130,505	(2,300,636)
Income from investments in group enterprises		501,625	353,804
Other financial income		21,281	620
Financial expenses from group enterprises		(554,147)	(804,979)
Other financial expenses		(91,048)	(53,550)
Profit/loss before tax		1,008,216	(2,804,741)
Tax on profit/loss for the year	3	(114,677)	686,272
Profit/loss for the year		893,539	(2,118,469)
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		2,800,000	0
Retained earnings		(1,906,461)	(2,118,469)
Proposed distribution of profit and loss		893,539	(2,118,469)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired licences		997,626	677,742
Intangible assets		997,626	677,742
Other fixtures and fittings, tools and equipment		6,236	50,432
Leasehold improvements		707	4,891
Property, plant and equipment		6,943	55,323
Investments in group enterprises		3,009,235	2,507,610
Deposits		30,000	30,000
Financial assets	4	3,039,235	2,537,610
Fixed assets		4,043,804	3,270,675
Manufactured goods and goods for resale		7,180,436	10,517,946
Inventories		7,180,436	10,517,946
Trade receivables		2,411,371	2,209,961
Receivables from group enterprises		61,763	24,389
Deferred tax		202,000	428,000
Other receivables		0	106,286
Income tax receivable		253,167	311,611
Prepayments		93,134	151,741
Receivables		3,021,435	3,231,988
Other investments		14,620	14,620
Other investments		14,620	14,620
Cash		965,756	1,165,047
Current assets		11,182,247	14,929,601
Assets		15,226,051	18,200,276

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		500,000	500,000
Reserve for net revaluation according to the equity method		2,929,235	2,427,610
Retained earnings		419,005	2,827,091
Equity		3,848,240	5,754,701
Other provisions		0	532,328
Provisions		0	532,328
Other payables		562,486	0
Non-current liabilities other than provisions	5	562,486	0
Trade payables		2,604,167	874,932
Payables to group enterprises		4,425,914	8,241,952
Other payables		3,785,244	2,796,363
Current liabilities other than provisions		10,815,325	11,913,247
Liabilities other than provisions		11,377,811	11,913,247
Equity and liabilities		15,226,051	18,200,276
Contingent liabilities	6		
Assets charged and collateral	7		
Group relations	8		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	500,000	2,427,610	2,827,091	0	5,754,701
Extraordinary dividend paid	0	0	0	(2,800,000)	(2,800,000)
Profit/loss for the year	0	501,625	(2,408,086)	2,800,000	893,539
Equity end of year	500,000	2,929,235	419,005	0	3,848,240

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	6,392,013	6,092,112
Pension costs	453,048	420,229
Other social security costs	103,400	122,937
	6,948,461	6,635,278
Average number of full-time employees	14	14

2 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	218,855	390,928
Depreciation of property, plant and equipment	48,382	95,047
	267,237	485,975

3 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	(111,167)	(155,611)
Change in deferred tax	226,000	(533,000)
Adjustment concerning previous years	(156)	2,339
	114,677	(686,272)

4 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	80,000	30,000
Cost end of year	80,000	30,000
Revaluations beginning of year	2,427,610	0
Share of profit/loss for the year	394,136	0
Adjustment of intra-group profits	107,489	0
Revaluations end of year	2,929,235	0
Carrying amount end of year	3,009,235	30,000

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

5 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Other payables	562,486	562,486
	562,486	562,486

6 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 920k.

7 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 6k.

8 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.

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.

Dividend

Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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.