



## Agenda General Assembly

on 13 October 2020, 14:00 - 16:00 hrs  
in the premises of the SGF  
Am Hahnenbusch 14B, 55268 Nieder-Olm, Germany

### ITEM 1 Opening by the President

- 1.1 Approval of the minutes of the last general meeting

### ITEM 2 Regularities

#### 2.1 Accounting and Financial Reports 2019

- 2.1.1 Annual result 2019
- 2.1.2 Balance Sheet as of 12/31/2019
- 2.1.3 Development of capital reserve account
- 2.1.4 Report tax advisor
- 2.1.5 Financial Audit Report 2019
- 2.1.6 Transfer of the 2019 annual result to the reserve account

#### 2.2 Discharge of the Executive Committee and Management

#### 2.3 Adaptation budget 2020

#### 2.4 Budget 2021

#### 2.5 Drawing of 10 companies to verify the sales report

### ITEM 3 Motions to the General Assembly

### ITEM 4 Miscellaneous



## **Minutes**

### **GENERAL ASSEMBLY 2019**

30 September 2019  
14h30 – 16h30  
Antwerp, Belgium  
Cityworkers, 1, Grote Pieter Potstraat

Chairman: Dr Joachim Tretzel

Minutes: Ute Latz

Participants: 34 member companies  
(Attendance list on file)

## ITEM 1

### Welcome and Opening of the General Assembly by the President

Dr Tretzel opens the ordinary SGF General Assembly 2019 and welcomes the participants to Antwerp/Belgium. He points out how important it is for the member companies and their representatives to be present at the General Assembly in order to decide on the future of the industrial self-control.

Dr Tretzel welcomes the honorary guest Dr Karl Neuhäuser, honorary president of SGF.

Dr Tretzel informs the participants on **antitrust compliant conduct**:

Questions on antitrust are often connected also with the work of associations. According to the advice of the BVE (Federate Union of German Food Industry) the SGF Executive Committee drew up an antitrust guideline in 2010. Dr Tretzel informs on three crucial rules of antitrust compliant conduct:

- Discuss only on the background of association work,
- Avoid public or non-public discussions concerning the situation of competition, prices, services, customers, costs and strategic plans of your or other companies,
- Avoid the disparagement of other companies and their products.

The antitrust guideline can also be downloaded from the SGF website in German and English language.

Dr Tretzel thanks for the corresponding observance.

Dr Tretzel states furthermore:

- **Duly sent invitation to the GA:** According to § 10 (2) of the currently valid statutes of 1 October 2013 the members were invited properly as they received written notice with included agenda in time (at least six weeks in advance). The invitation to the General Assembly 2019 was sent via e-mail on 15 August 2019 in German and English language.
- **Constitution of a Quorum:** Dr Tretzel explains that according to § 10 (6) of the currently valid statutes each properly convened General Assembly has a quorum regardless of the number of members present provided that it was invited properly. Proper invitation was carried out. Therefore the General Assembly constitutes a quorum.
- **Minutes of the last General Assembly in Antwerp:** The minutes of the General Assembly 2018 in Antwerp were sent electronically together with the SGF-News 05/2018 on 07 November 2018 in German and English language. The minutes were taken of all decisions made during the GA 2018. They are signed by the President and the minute taker. The minutes were compiled in due time and made available to the members. The office did not receive any objections or comments regarding these minutes. No comments are made during the General Assembly.

#### Resolution

Through a voting per acclamation, the minutes of the GA 2018 are approved unanimously by the GA 2019 according to § 14 (1) of the statutes.

- **Motions to the General Assembly:** According to § 10 (5) of the currently valid statutes dated 1 October 2013, "motions to the General Assembly must be received by the office at the latest four weeks prior to the meeting". This means the expiry date for motions was 02 September 2019.

No motion was sent to the SGF office. Hence, ITEM 5 “Motions to the General Assembly” can be skipped.

## ITEM 2

### Report by the Executive Committee and the Management

The President, the General Manager and the Technical Managers report about the activities of SGF.

**Report of the President, Dr Joachim Tretzel** (*enclosure 1*)

**Report of the General Manager, Alexandra Heinermann, and the Technical Managers**  
(*enclosure 2, Presentation*)

Dr Tretzel thanks the members for the confidence and support they have provided in the past year. Before he hands over to the treasurer, Mr Steen Poulsen, he states that Mr. Poulsen will leave the Executive Committee after 25 years of voluntary commitment at the board and 15 years as treasurer. He expresses his warm thanks for his valuable contribution for SGF. Mr. Poulsen was already officially discharged at the board dinner the night before. Mr. Poulsen also expresses his gratitude for the opportunity to actively accompany SGF throughout the years and reminds briefly of his first general assembly as treasurer. He then leads through the formal requirements.

## ITEM 3

### Formal requirements

#### 3.1 Financial Statement and Reports 2018

Mr Steen Poulsen, member of the SGF Executive Committee responsible for finances, refers to the detailed meeting documents presented by the Secretariat and provides additional explanations regarding the financial result 2018, the balance sheet and the reserve account.

The business year 2018 closed with a positive result amounting to **€ 5,537.36**. Written remarks are given on page 1–3 of the meeting documents.

Mr Poulsen continues by presenting the balance sheet as per 31 December 2018 amounting to **€ 1,848,714.11**. Written remarks are given on page 4–5 of the meeting documents.

Mr Poulsen presents the capital reserve account that totals to **€ 1,229,819.48**. Written remarks are given on page 6 of the meeting documents.

Mr Poulsen asks whether there are questions related to the financial reports 2018. There are no questions raised by the GA.

#### 3.2 Auditors' Report

Before deciding on the annual accounts 2018 and the use of the financial result, Mr Poulsen refers to the report of the tax advisor Rüßler/Gürke of 6 May 2019 on page 7 of the meeting documents.

Furthermore Mr Poulsen informs the audience that the elected financial auditors, Mr Moritz Carrière, Carrière GmbH Committed To Taste, Hamburg, and Mr Hans Jürgen Freund, Bad Hönninger Fruchtsäfte und Weine GmbH, checked and discussed the book-keeping of SGF on 21 May 2019. He asks Mr Freund to read out the report of the financial auditors that is also available on page 8 of the meeting documents.

Mr Poulsen asks the audience whether there are any questions concerning the report of the financial auditors. This is not the case.

After reading out the report, Mr Freund recommends to the GA to approve the annual accounts and to discharge the Executive Committee and the Management of SGF for the business year 2018.

### **3.3 Formal Approval of the Executive Committee's and the Management's Actions**

Mr Poulsen suggests to the General Assembly the voting per acclamation in order to approve the financial statements 2018 and to discharge the Executive Committee and the SGF Management for the business year 2018.

#### **Resolution**

The General Assembly unanimously decides to vote per acclamation.

#### **Resolution**

The General Assembly unanimously approves the annual accounts of 2018 and the discharge of the Executive Committee and the SGF Management from their responsibilities for the business year 2018.

Mr Poulsen furthermore states that the Executive Committee suggests transferring the financial result of 2018 amounting to **€ 5,537.36** to the capital reserve account.

#### **Resolution**

The General Assembly unanimously decides per acclamation to transfer the financial result of 2018 to the capital reserve account.

On behalf of the Executive Committee and the SGF Management Mr Poulsen thanks the audience for the perceived trust. He furthermore thanks the financial auditors, Mr Carrière and Mr Freund, for their excellent work.

### **3.4 Status and Adaptation of the Budget 2019**

Mr Poulsen refers to the budget proposal for the financial year 2019, presented and approved on 16 October 2018 by the General Assembly. The total budget of 2019 amounted to **€ 3,093,500**.

Mr Poulsen explains, that due to necessary adjustments the budget 2019 changes to **€ 3,193,500**. Explanations can be found on page 10 of the meeting documents.

Mr Poulsen asks the General Assembly whether there are any comments on the status and adaptation of the budget 2019. This is not the case.

Mr Poulsen suggests voting per acclamation (showing the voting cards).

#### **Resolution**

An acclamation procedure is unanimously approved by the members.

Now Mr Poulsen asks the members to approve the adaptation of the budget 2019 by showing the voting cards.

**Resolution**

The adaptation of the budget 2019 is unanimously approved.

Mr Poulsen thanks the General Assembly for their unanimous vote.

**3.5 Suggestion and Approval of the Budget 2020**

Mr Poulsen refers to the budget proposal for the financial year 2020 on pages 11–12 of the meetings documents. The **total receipts** budget for 2020 amounts to **€ 3,093,500** while the **total cost** is **€ 3,183,500**.

Thus, the presented revenue and expenditure planning for the year 2020 leads to a negative result due to the planned IT investment, which is explained on page 12 of the meeting documents.

Mr Poulsen asks the General Assembly whether there are any comments on the budget 2020. This is not the case.

He suggests voting through acclamation by showing the voting cards and asks whether the General Assembly agrees on an acclamation procedure.

**Resolution**

The acclamation procedure is unanimously approved by the members.

Now Mr Poulsen asks the members to approve the budget 2020 by showing the voting cards.

**Resolution**

The budget 2020 is unanimously approved.

Mr Poulsen thanks the General Assembly for their unanimous vote.

**3.6 Drawing of 10 Companies for Checking the Statement of Turnover**

Mr Poulsen explains the procedure for confirming the sales volume reports yearly submitted by member companies to determine the annual contribution fees. This procedure aims to ensure the highest possible contribution-honesty and equal treatment of all members. 10 member companies are checked each year.

Mr Poulsen asks Mrs Claudia Schillemans of Cityworkers, Belgium, to activate the electronic drawing.

The 10 companies are:

Member-No	Company	Country
958	Allanasons Private Limited	India
195	F. Ili Branca S.p.A.	Italy
444	Florida Products, S.A.	Costa Rica
458	Fruit Tech Natural, S.A.	Spain
953	Jadil Foods Pvt. Ltd.	India
201	Nufri Sociedad Agraria de Transformacion no. 1596	Spain
614	Peace River Citrus Products Inc.	USA
889	Sucorrico Citrus Industrial e Agricola Ltda.	Brazil
875	T.B. Fruit Polska Sp. z o. o. S.K.A.	Poland
711	Via Nectare Tecnologia em Bedidas e Alimentos Ltda.	Brazil

Mr Poulsen thanks Claudia Schillemans for the quick handling. He thanks the General Assembly for the confidence and speedy handling of the formal requirements.

Mr Poulsen hands over the chairmanship to Dr Tretzel for the next ITEM 4 - Elections.

## **ITEM 4**

### **Elections**

According to the statutes, the term of office of the elected Board members as well as of the financial auditors is 3 years.

Therefore, single positions on the Boards are up for election or re-election.

#### **4.1 Elections to the Executive Committee**

According to § 11 of the statutes,

„Up to seven Executive Committee members are elected by the General Assembly.

Block voting is permitted...

The Executive Committee shall be entitled to co-opt up to five more nonvoting members.”

This year, four candidates are up for re-election:

**Carlos Abboud**, Newbell, Uruguay,

**Dr. Karl Neuhäuser**, Eckes-Granini Group GmbH, Germany,

**Claudia Niemann**, Stute Nahrungsmittelwerke GmbH & Co. KG, Germany, and

**Adao Torres**, Sucocitrico Cutrale Ltda., Brazil

**Steen Poulsen** resigns from the Executive Committee. Dr Tretzel asks the General Assembly whether there are further proposals or whether there are other people who want to stand for election. This is not the case.

Dr Tretzel asks the General Assembly whether they agree to elect the candidates en bloc and through acclamation.

#### **Resolution**

The acclamation procedure and the election en bloc are approved unanimously.

Dr Tretzel asks the General Assembly whether they agree to elect the above mentioned candidates as member of the Executive Committee for a further term of office.

#### **Resolution**

The General Assembly unanimously elects the above mentioned candidates as member of the Executive Committee.

Dr Tretzel thanks the audience for the voting and ask the candidates whether they accept the election.

All candidates accept the election.

Dr Tretzel congratulates the re-elected Executive Committee members and mentions that SGF is looking forward to a good cooperation.

#### 4.2 Elections to the IRMA Board

Dr Tretzel reports that **Dr Franz-Michael Rouwen** resigns from the IRMA Board and therefore is not up for re-election. On behalf of the Executive Committee and the Management Dr Tretzel expresses his special thanks for his commitment on the Board and for his valuable contribution to meet the targets of the SGF communion. Dr Rouwen was already officially discharged at the board dinner the night before.

According to § 13 of the statutes “The IRMA Board consists of up to 9 members ... . Up to 7 members of the Board are elected by the members according to § 4 1b) and c) and 2) of the currently valid statutes.”

The following candidates have declared their willingness for re-election to the IRMA Board for another term of office or for first election as member with voting rights:

**Gijs Rotmans**, Louis Dreyfus Company, Switzerland

**Martin Wegener**, Klaus Böcker GmbH, Germany

Dr Tretzel asks the General Assembly whether there are further proposals or whether there are other people who want to stand for election. This is not the case.

Dr Tretzel asks the General Assembly whether they agree to elect the candidates per acclamation and en bloc. He makes aware of the fact that only IRMA members (green voting cards) are eligible to vote.

##### Resolution

The acclamation procedure and the election en bloc are approved unanimously.

Dr Tretzel asks the General Assembly for the voting on the above mentioned candidates for the IRMA Board.

##### Resolution

The General Assembly unanimously elects the above mentioned candidates as members of the IRMA Board.

Dr Tretzel thanks the audience for the voting and asks all elected whether they accept the election. All accept the election.

Dr Tretzel congratulates the (re-)elected IRMA Board members and states that SGF looks forward to a good cooperation.

#### 4.3 Elections to the IQCS Board

According to § 12 of the statutes “The IQCS Board consists of up to 9 members ... . Up to 7 members of the Board members are elected by the members according to § 4 1a) and c) of the currently valid statutes.”

Dr Tretzel informs about the retirement of **Torsti Hurmerinta** and thanks him for his long-term commitment and valuable contribution to fulfil the objectives of SGF.

The following candidates are willing to present themselves for re-election for another term of office:



**Rolf Dietz**, Rickertsen, Hamburg, Germany

**Not present, but has beforehand declared his willingness to be elected**

**Christian Gamsjäger**, Chairman, Rauch Hungary Kft., Nyirmada, Hungary

**Dirk Naujoks**, Bösch-Boden-Spies GmbH & Co.KG, Hamburg, Germany

**Achim Stöckinger**, Amecke Fruchtsaft GmbH&Co. KG, Menden, Germany

**Not present, but has beforehand declared his willingness to be elected**

Dr Tretzel asks the General Assembly whether there are further proposals or whether there are other people who want to stand for election. This is not the case.

Dr Tretzel asks the General Assembly whether they agree to elect the candidates per acclamation and en bloc. He makes aware of the fact that only IQCS members (blue voting cards) are eligible to vote.

#### **Resolution**

The acclamation procedure and the election en bloc are approved unanimously.

Dr Tretzel asks the General Assembly for the voting on the above mentioned candidates for the IQCS Board.

#### **Resolution**

The General Assembly unanimously elects the above mentioned candidates as members of the IQCS Board.

Dr Tretzel thanks the audience for the voting and asks all elected whether they accept the election. All accept the election.

Dr Tretzel congratulates the (re-)elected IQCS Board members and states that SGF looks forward to a good cooperation.

## **4.4 Election of the Financial Auditors**

Dr Tretzel thanks the financial auditors, Moritz Carrière, Carrière GmbH Committed To Taste, Germany, and Mr Hans Jürgen Freund, Bad Hönninger Fruchtsäfte und Weine, Germany, for their commitment throughout the last 3 years.

Both are up for re-election for another term of office (2019-2022):

**Hans Jürgen Freund**, Bad Hönninger Fruchtsäfte und Weine, Germany

**Moritz Carrière**, Carrière GmbH Committed To Taste, Germany

Mr Carrière is absent but has in advance indicated his availability to be re-elected as financial auditor.

Dr Tretzel asks the General Assembly whether there are further proposals or whether there are other people who want to stand for election. This is not the case.

Dr Tretzel asks the General Assembly whether they agree to elect the candidates through acclamation and en bloc.

#### **Resolution**

The acclamation procedure and the election en bloc are approved unanimously.

Dr Tretzel asks the General Assembly whether they agree to elect the above mentioned candidates as financial auditors for a further term of office.

#### **Resolution**

The General Assembly unanimously elects the above mentioned candidates as financial auditors

Dr Tretzel thanks the audience for the voting and asks Mr Freund whether he accepts the election.

Mr Freund accepts the election.

Dr Tretzel congratulates the financial auditors and states that SGF looks forward to a good cooperation.

All absent elected board members and financial auditors will be informed by the SGF secretariat on their election.

### **ITEM 5**

#### **Motions to the General Assembly**

Dr Tretzel states that as already mentioned at the beginning, there are no motions to the General Assembly this year. That is why this item can be skipped.

### **ITEM 6**

#### **Miscellaneous**

Dr Tretzel asks the General Assembly whether there are further proposals or questions. This is not the case.

The president thanks all participants/members for the successful SGF General Assembly. He looks forward to a good cooperation with the Board members and thanks them again for their commitment.

He also thanks the SGF-team for the good organisation of the meeting and their permanently high level of commitment.

Before the formal closing he asks the members of the Executive Committee to come together for a short constitutive meeting after the General Assembly in order to elect the President from themselves.

Besides, he asks all Board Members to come together for a photo session. A professional photographer will take some pictures of the Boards.

Dr Tretzel officially concludes the General Assembly 2019 at 16:15h.

signed Dr Joachim Tretzel  
President

signed Ute Latz  
Minutes

Enclosures:

- Report of the President, Dr Joachim Tretzel (enclosure 1)
- General Manager, Alexandra Heinermann, and the Technical Managers (enclosure 2, Presentation)

## **Report of the President, Dr. Joachim Tretzel (Enclosure 1)**

L&G, welcome to the 45th GA of the SGF!

We are operating in an exciting industrial environment with a fascinating product in the core of our business.

We look back to another challenging year defending our beautiful industry against all types of attacks. Sugar debate, sustainability, climate change, pests and the like. On the contrary to the good old times, however, everything becomes 1000fold amplified by the social media and therefore bears an ever higher risk.

2018 has been also a year full of inspiring steps forward.

- Also for 100 % fruit juices we must not lose our selfconfidence of producing a healthy product that contributes to the wellbeing of people
- SGF has contributed to Fruit Juice Matters campaign in documenting the hesperidine values in orange juice from our database <https://fruitjuicematters.de/de/verzehr-verhalten/zusammensetzung-von-orangensaft>

- This is only one example which demonstrates that key value of SGF besides the certification is to deliver scientific data to support the industry growth >> ***digital gold***
- We can be proud to state that SGF is recognised in several expert groups as the juice data warehouse combined with exceptional expert know-how (e.g. AIJN CoP expert group, German RSK values expert group, German Federal Institute of Risk Assessment, Dutch organisation Risk Plaza, etc...
- Very encouraging is the continuous growth membership number which demonstrates that more and more companies copy the benefits that SGF can deliver
- Even retailers (at least in Germany) seem to recognize the benefits of a SGF certification and ask for it

From this our program for the future becomes clear: by investing time and money we primarily need to further develop our member *platform* (sic!) as well as our scientific know how and our methodology. All above and 2<sup>nd</sup> to nothing we need a state-of-the-art

IT system to integrate our services. For this we need to provide respective resources >> people, finance and 3<sup>rd</sup> party services.

In the coming years we will have to amend also the internal structure of SGF to reduce administrative efforts and to be ready for the future. Consequently the EC is working on an amendment of the Statutes.

In conclusion: SGF has in interesting way to go for the benefit of all members. I regard it as my pivotal task as President to lead the SGF in a sustainable viable future.

- Thanks to Board colleagues, committed members and staff in the secretariat. Without them SGF would be nothing.

# ITEM 1

## Opening and Welcome of the General Assembly by the President

## Formal requirements

- Advice for antitrust compliant conduct
- Duly sent invitation to the GA
- Constitution of a Quorum
- Approval of Minutes of the General Assembly 2018 in Antwerp
- No motions to the General Assembly

# Formal requirements

Keep in mind the trade association purposes of SGF, and participate only in discussions that further those purposes.

All meetings must be operated on the basis of a pre-circulated agenda.

Avoid any discussion of matters pertaining to the way your company competes, including discussions of any member or non-member company's prices, services, customers, costs, or non-public future plans.

Do not engage in any "off the record" discussions or "rump sessions" concerning sensitive matters pertaining to the way in which your company competes or otherwise does business.

Do not disparage other companies or their products and services.

If you are in doubt about any activity in connection with an SGF meeting, consult SGF or your company's counsel.



## Formal requirements

- Advice for antitrust compliant conduct ✓
- Duly sent invitation to the GA ✓
- Constitution of a Quorum
- Approval of Minutes of the last General Assembly in Antwerp
- Motions to the General Assembly

## Formal requirements

- Advice for antitrust compliant conduct
- Duly sent invitation to the GA
- **Constitution of a Quorum** ✓
- Approval of Minutes of the last General Assembly in Antwerp
- Motions to the General Assembly

## Formal requirements

- Advice for antitrust compliant conduct
- Duly sent invitation to the GA
- Constitution of a Quorum
- Approval of Minutes of the last General Assembly in Antwerp ✓
- Motions to the General Assembly

## Formal requirements

- Advice for antitrust compliant conduct
- Duly sent invitation to the GA
- Constitution of a Quorum
- Approval of Minutes of the last General Assembly in Antwerp
- **Motions to the General Assembly** ✓

# ITEM 2

## Report by the Executive Committee and the Management

# Report of the President Dr. Joachim Tretzel

# Report of Management

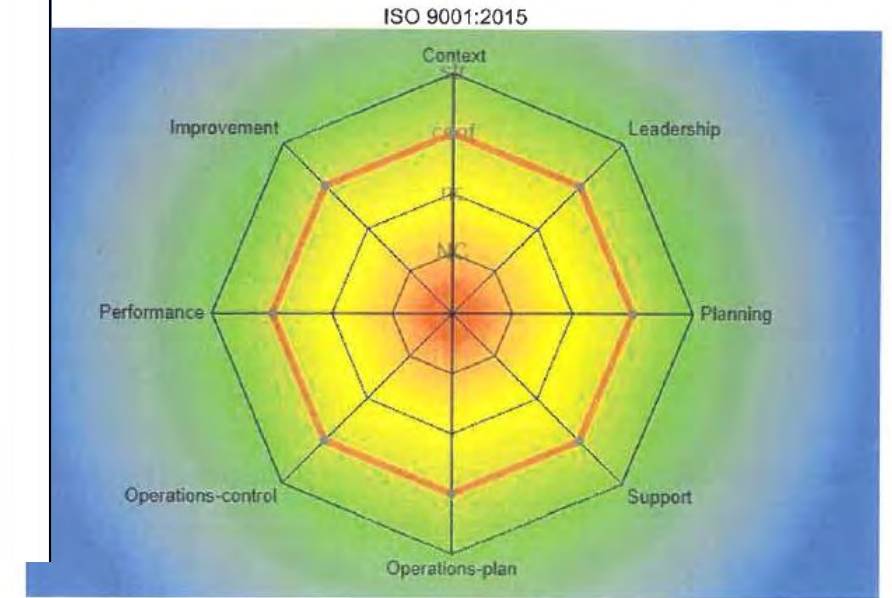
# Successful ISO 9001:2015 certification



## First certification 2015



## Re- certification 2019



Conforming: all requirements are fully met

Again neither minor nor major nonconformities



Observations  
2018

Audits and  
Samples  
IRMA + IQCS

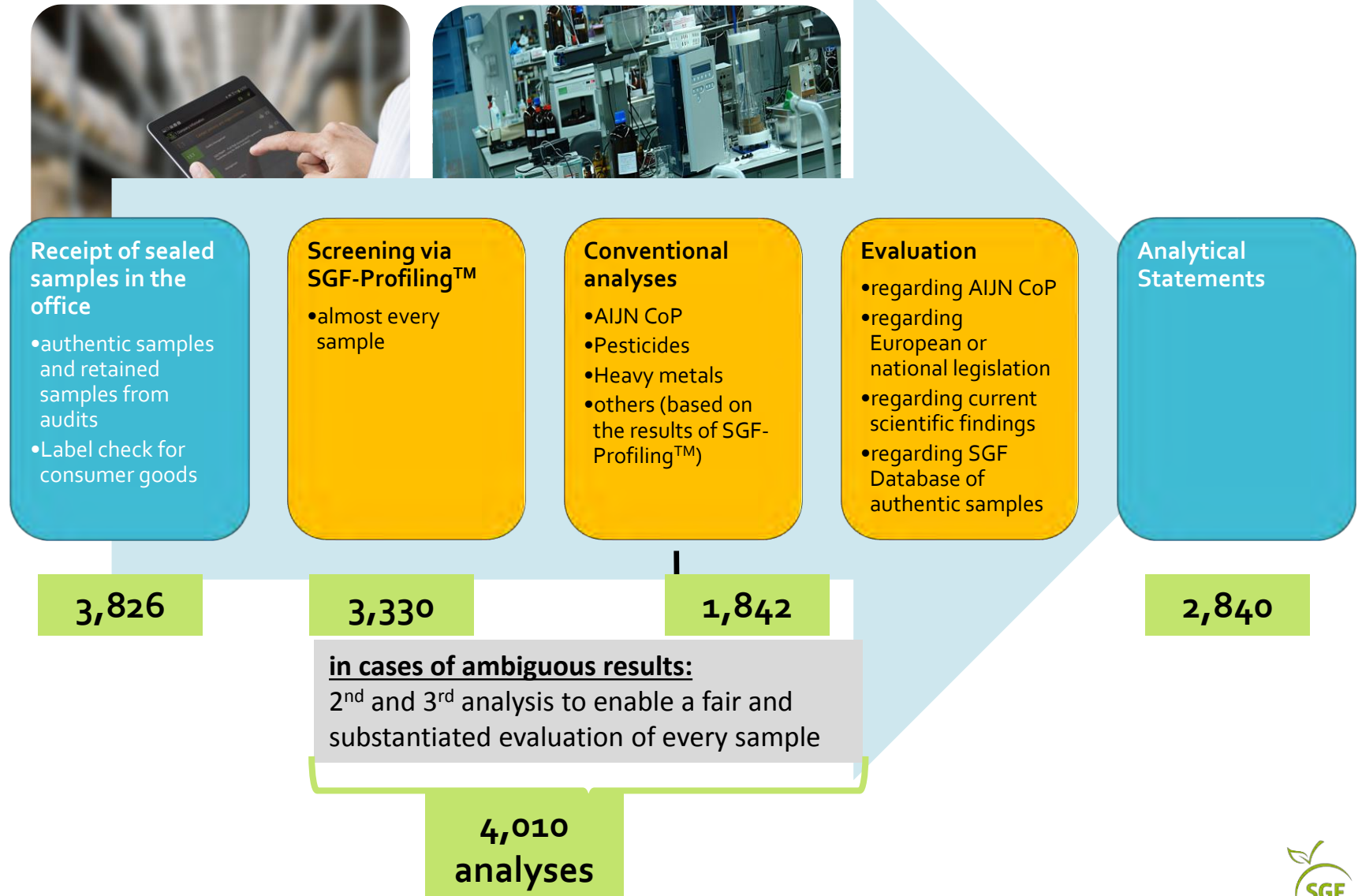
2,789 IRMA Samples

1,037 IQCS Samples

# Observations 2018

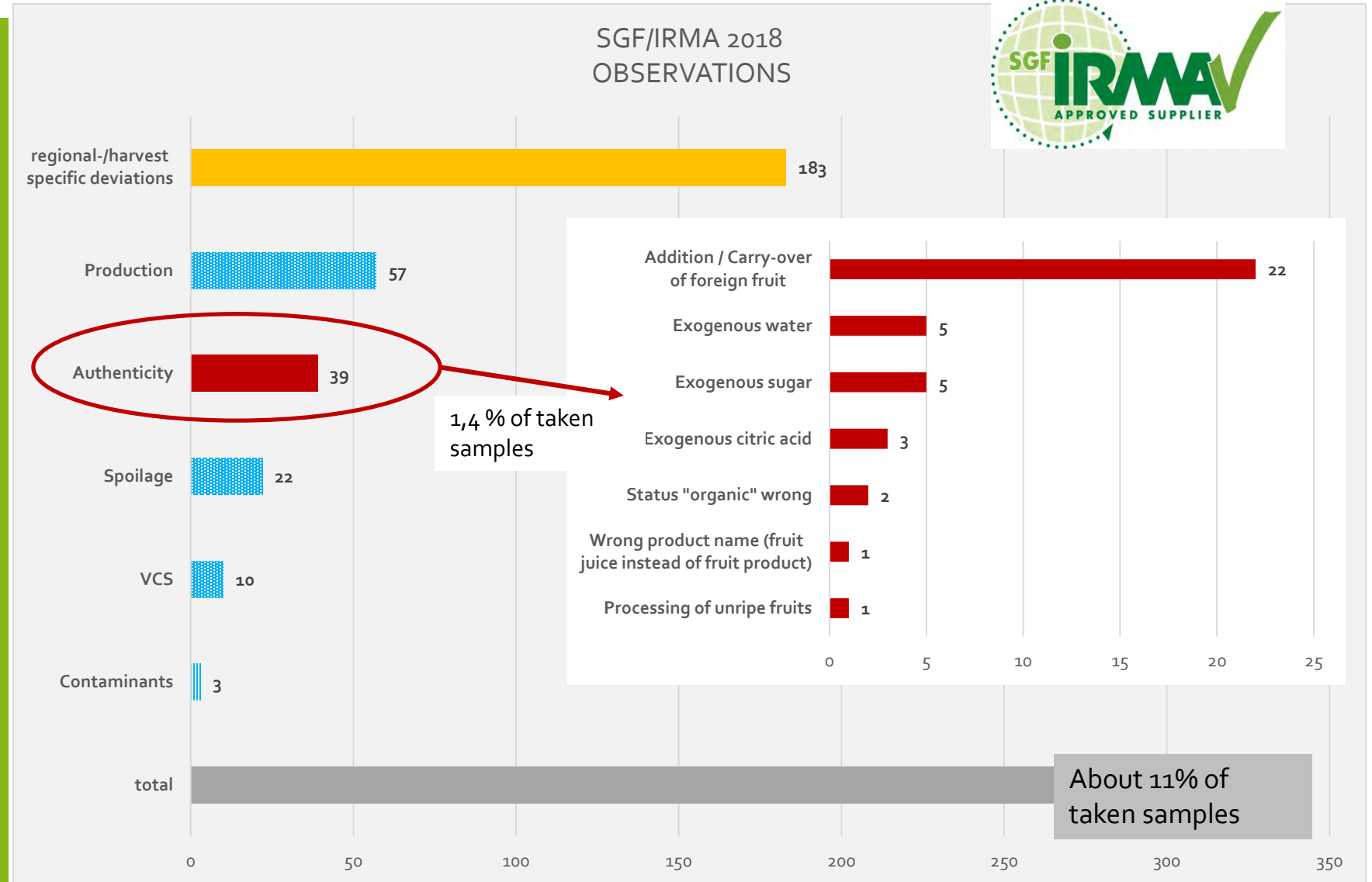
## Analytical Approach

### IRMA + IQCS



# Observations 2018

## SGF/IRMA Overview



# Observations 2018

## SGF/IRMA Overview

### Addition / Carry-over of foreign fruit

Exogenous sugar 5

Exogenous water 5

Exogenous citric acid 3

Status "organic" wrong 2

Processing of unripe fruits 1

Wrong product name 1

#### *Citrus* products

Lemon

Orange

Mandarin

#### Mango cultivars

Alphonso vs.  
other cultivars

#### Berries

Raspberry

American  
Cranberry vs.  
European  
Cranberry

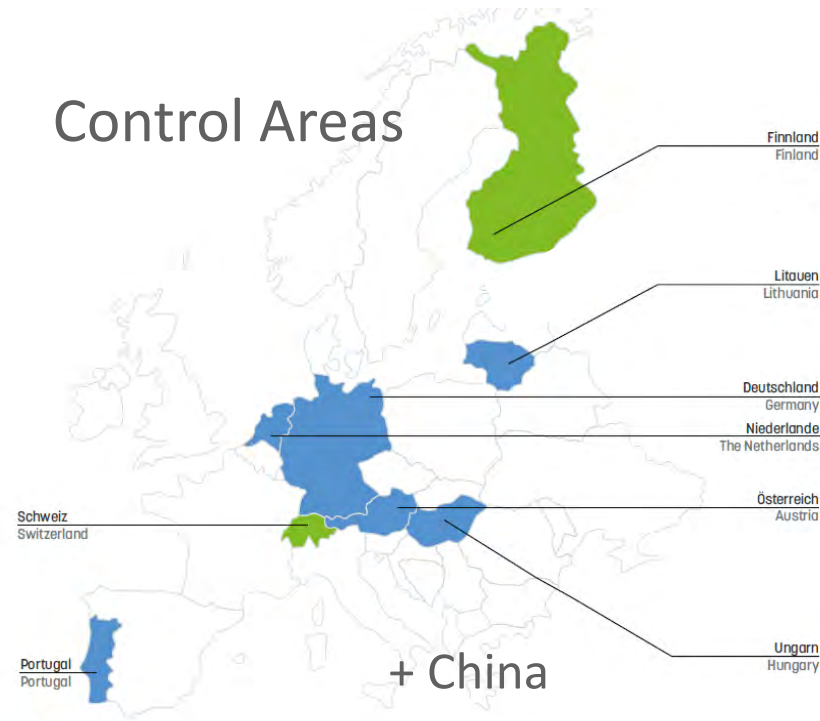
#### Pomegranate

Apple, Pear

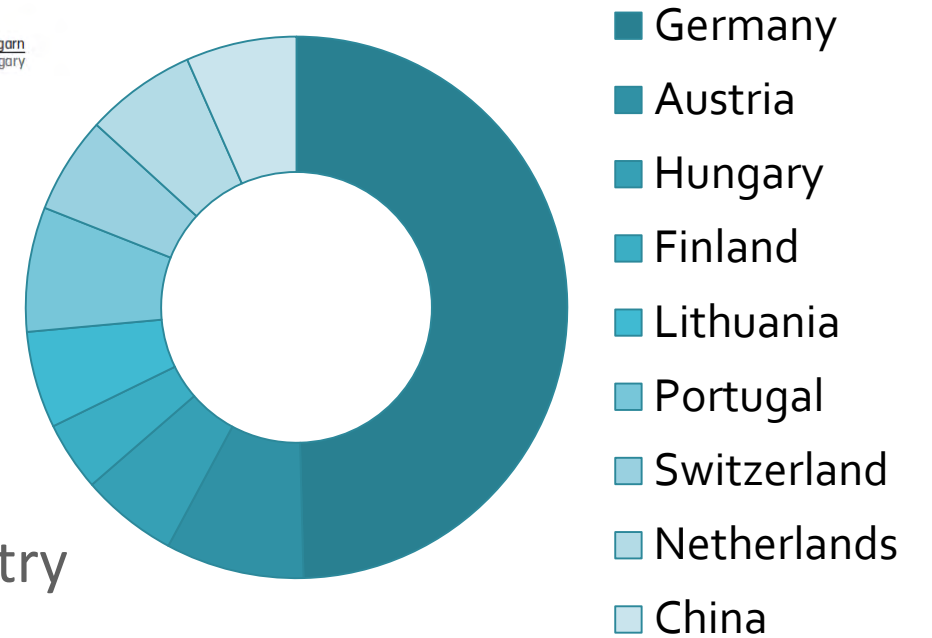
Colouring  
vegetables e.g.  
Black Carrot,  
Beetroot

# SGF/IQCS Overview

## Control Areas



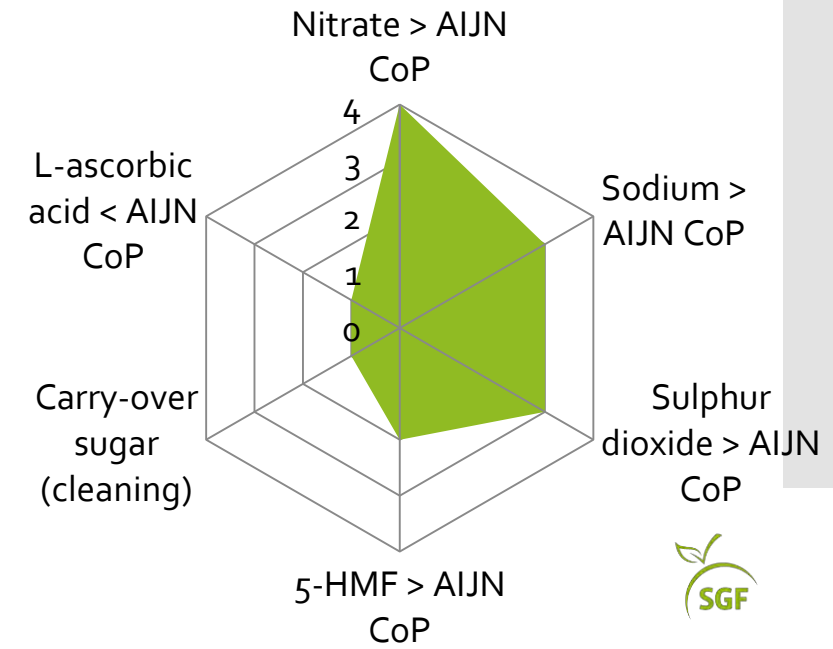
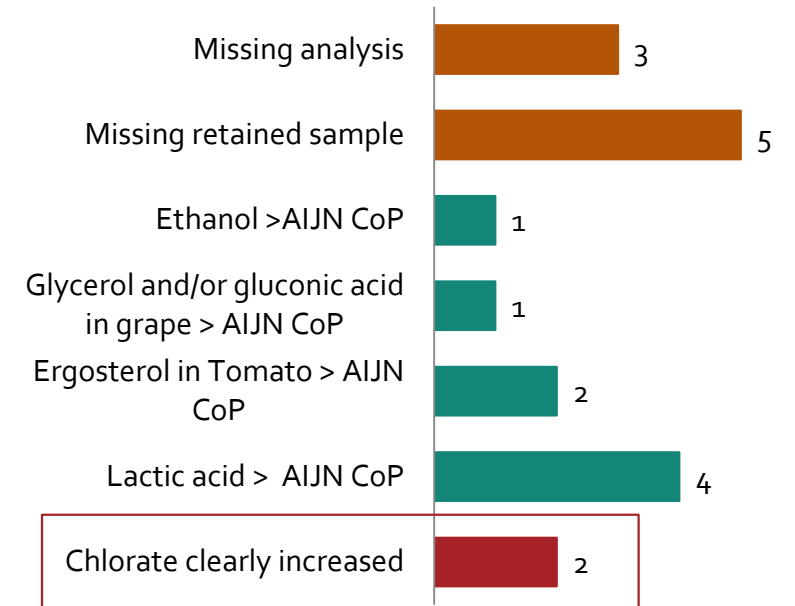
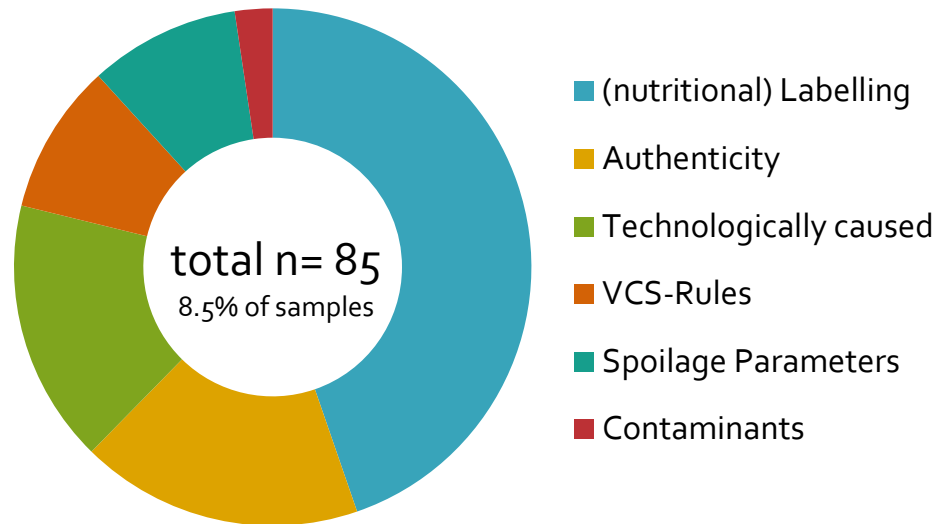
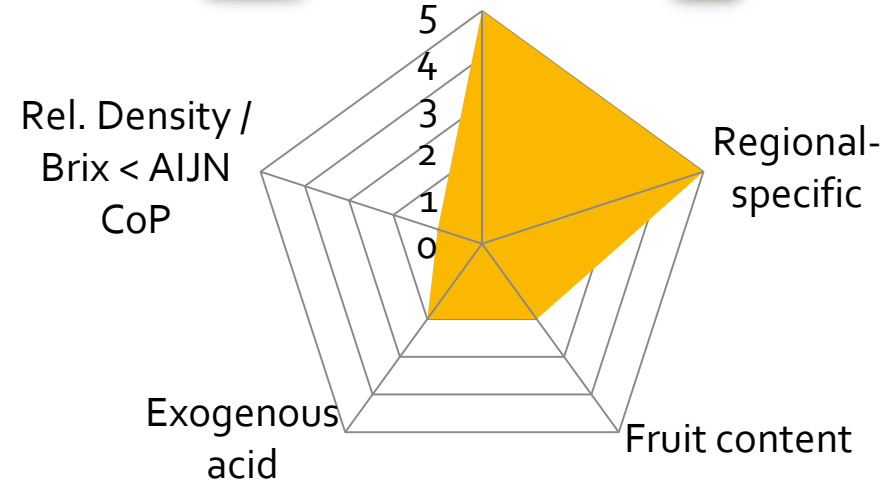
## Market Samples per country



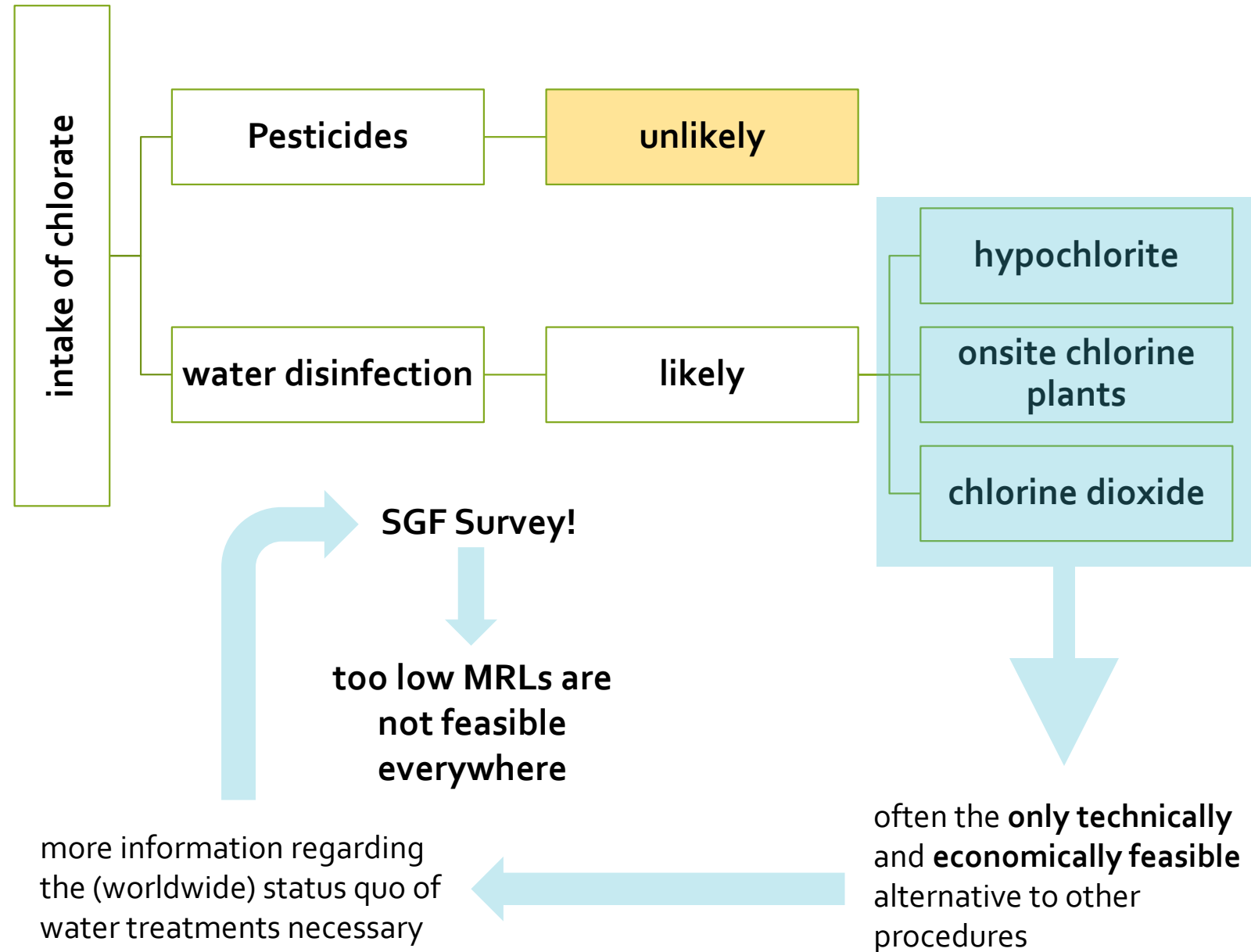
# SGF/IQCS Deviations



Foreign fruit



# Chlorate SGF Survey



REGULATION

## Food safety - maximum levels of chlorate in food

### About this initiative

Topic	Food safety
Type of act	Regulation
Committee	<a href="#">C20401</a>

### Draft act

FEEDBACK: CLOSED

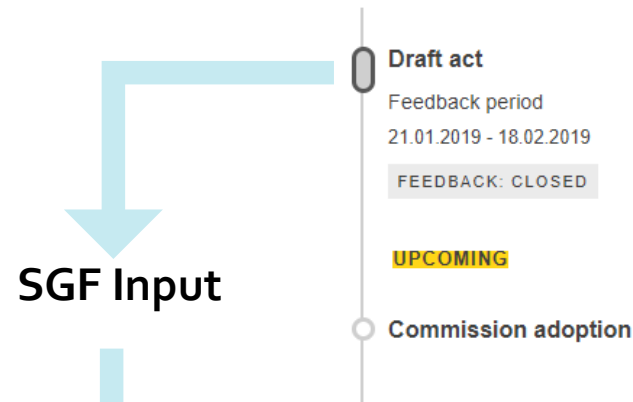
### Type

Draft regulation  
[More about draft acts](#)

### Feedback period

21 January 2019 - 18 February 2019 (midnight Brussels time)

[View feedback received >](#)



[https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-334046/feedback/F64097\\_en?p\\_id=368328](https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-334046/feedback/F64097_en?p_id=368328)

- ongoing discussions in SCoPAFF (last meeting: 2019-09-27)
- under discussion: no MRL for processed food, only for raw materials
  - best possible result for industry!

Chlorate  
Status Quo



# EJCS Campaigns 2019

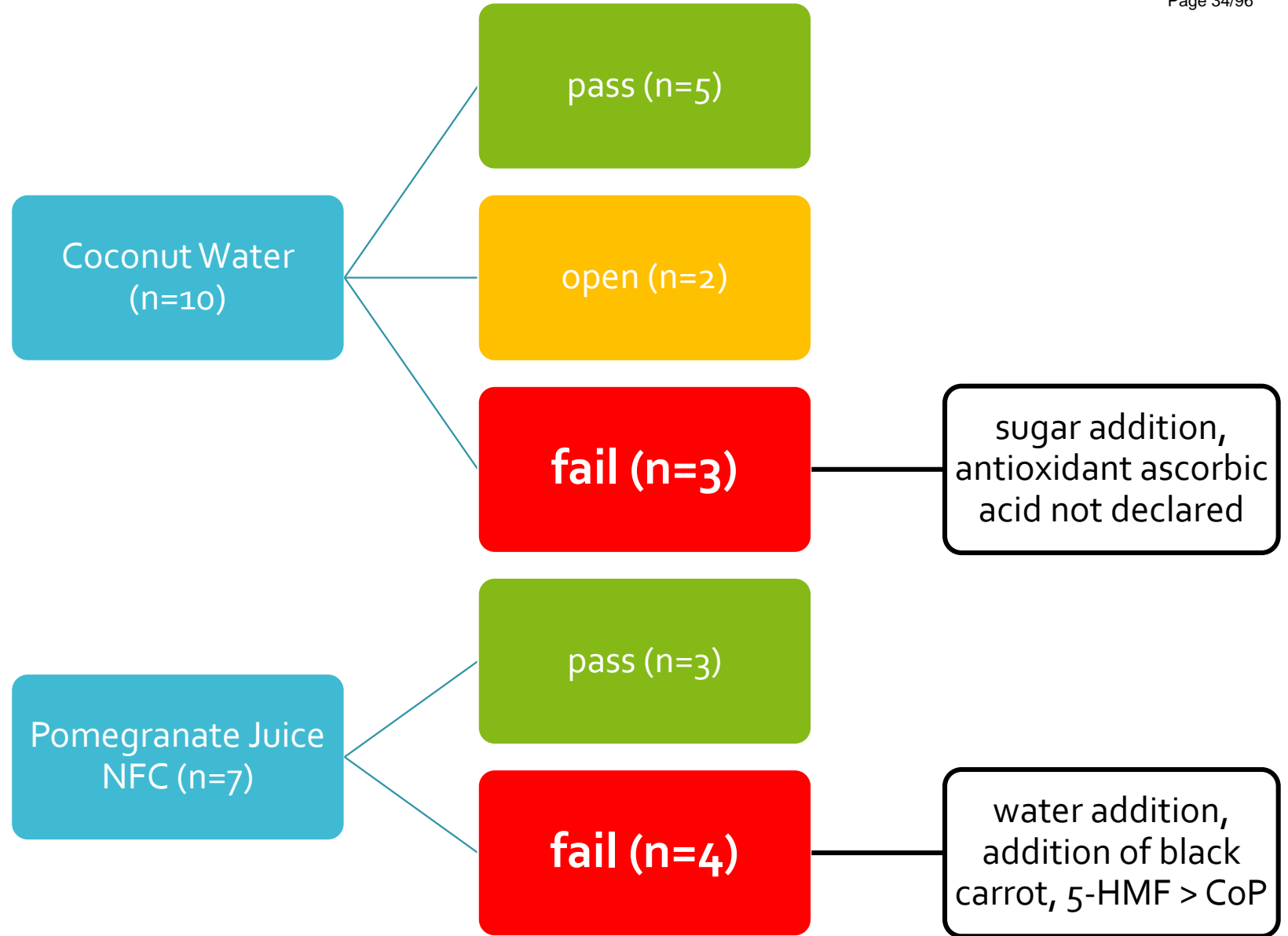
## Pomegranate, Coconut



Control Scheme/Country	Coconut	Pomegranate	TOTAL
AEAZN	3	3	6
BSDA	5	2	7
QualiJus	6	5	11
<b>SGF/IQCS</b>	<b>10</b>	<b>7</b>	<b>17</b>
Belgium	2	1	3
Czech Republic	3	2	5
Greece	1	3	4
Italy	0	2	2
Poland	2	1	3
<b>TOTAL</b>	<b>32</b>	<b>26</b>	<b>58</b>

# EJCS Campaigns 2019

## Pomegranate, Coconut



# SGF - IFU Roadshows



# Roadshow

## 2020

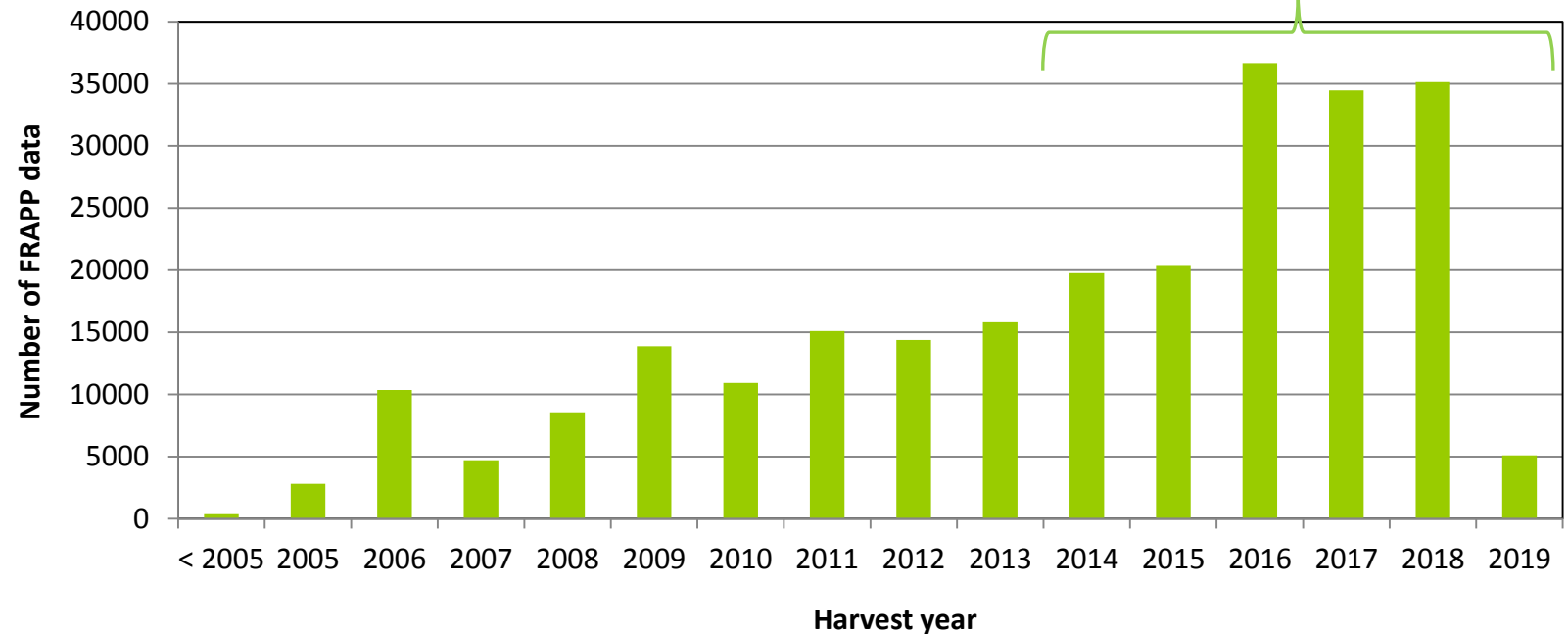


# FRAPP Current database

## Current FRAPP database (2014 – 2019):

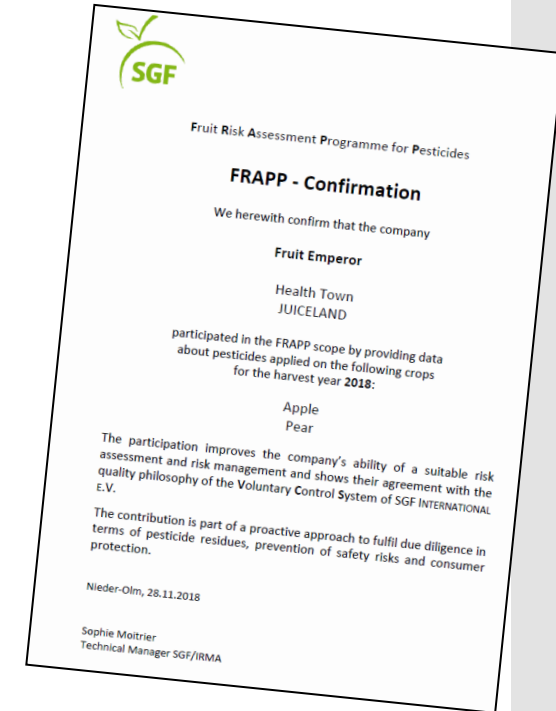
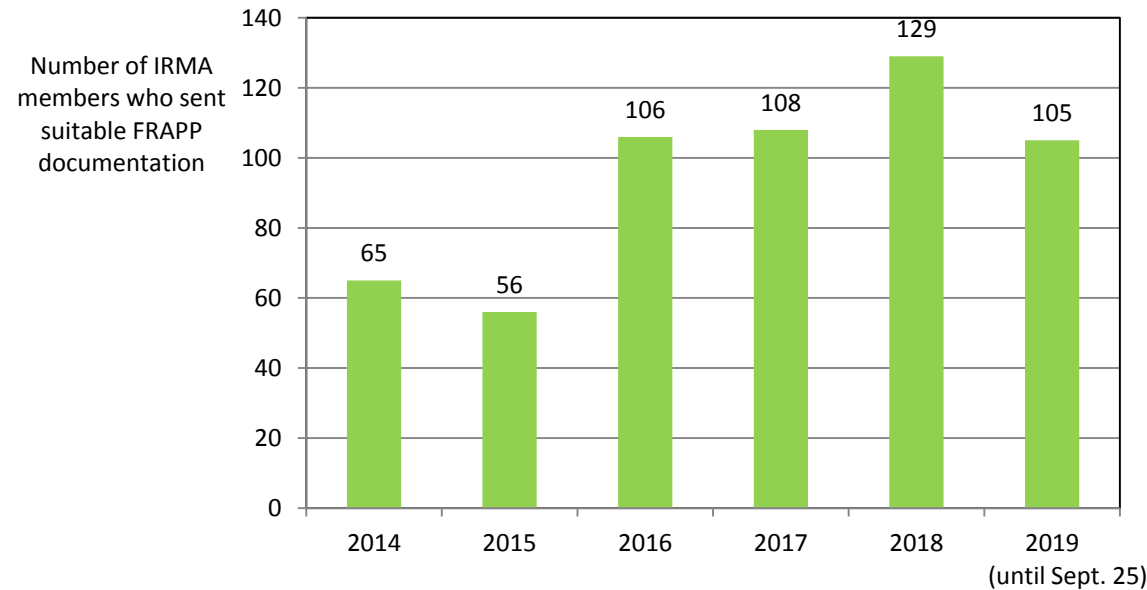
- about 151.500 data
  - 46 fruit and vegetable types
  - 41 countries
- 234 combinations  
crop/country

data taken into account for feedbacks



# FRAPP Participation / Feedbacks

- Participation in FRAPP in the last years:




- 116 fruit specific FRAPP feedbacks sent in 2018  
→ 30 fruit / vegetable types and 20 countries concerned



support of a new colleague from August 2019

# FRAPP Early Information System

## 2018

- 78 “Reasoned Opinions” from EFSA checked 
- thereof 9 pesticides listed in FRAPP in the last 2 years and concerned by MRL reductions  
→ individual info mails sent to concerned participants

### Example: Iprodione



 new service offer for SGF members: FRAPP Hotline





# SGF Broker Workshop 2019

## Hamburg



44 participants

< 50% of SGF broker





## Topics discussed



Keynote speech: Hamburger Warenverein -

→ intersection in membership, same topics

Special requirements of VCS for the Broker group

Food Fraud prevention &  
Food Fraud Vulnerability Assessment (FFVA) – provided by SGF

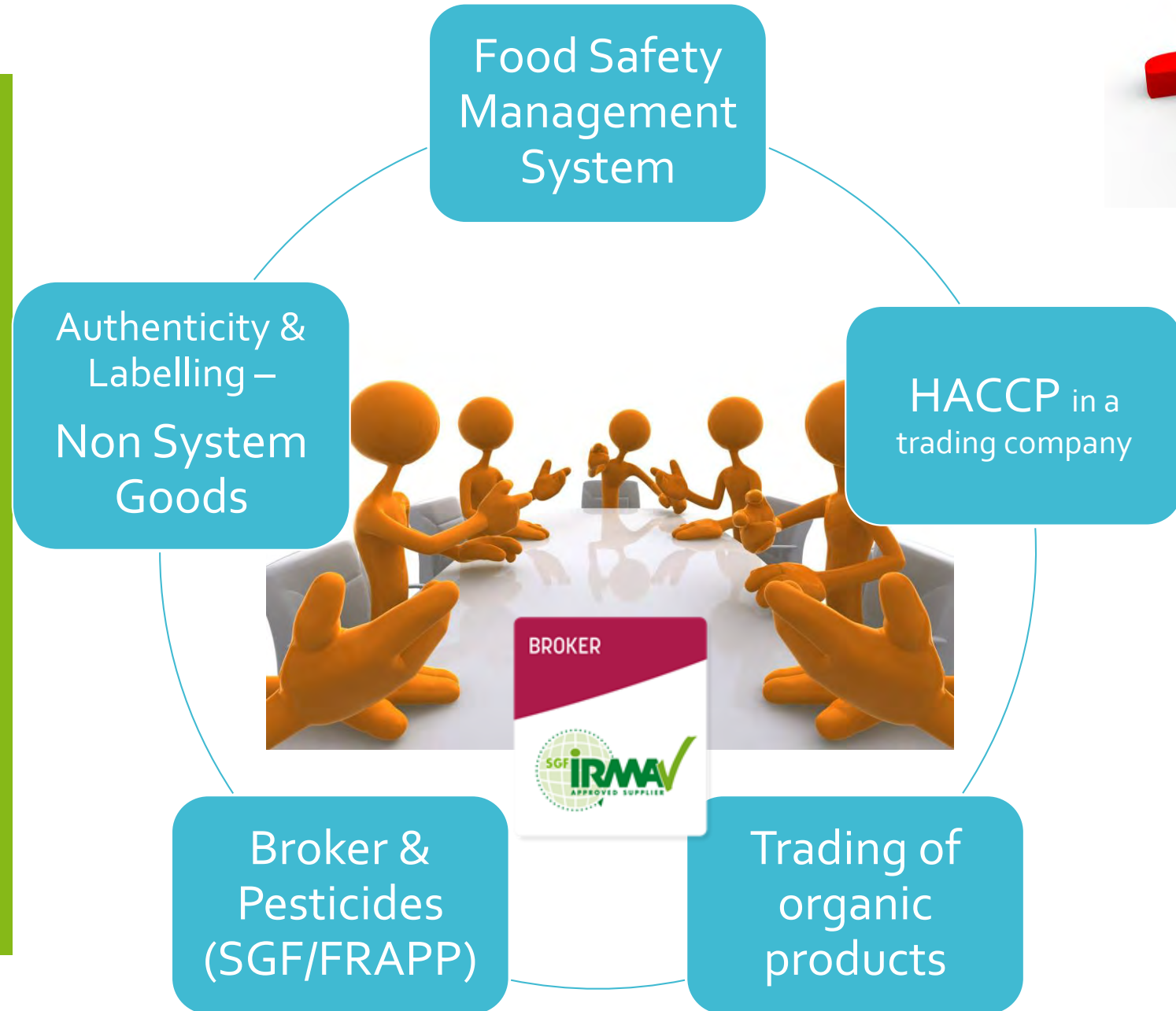
Practical aspects of SGF Broker audits - from auditors /members perspective



Proposal of new SGF audit checklist for broker



# Intensive group work



# Outcome

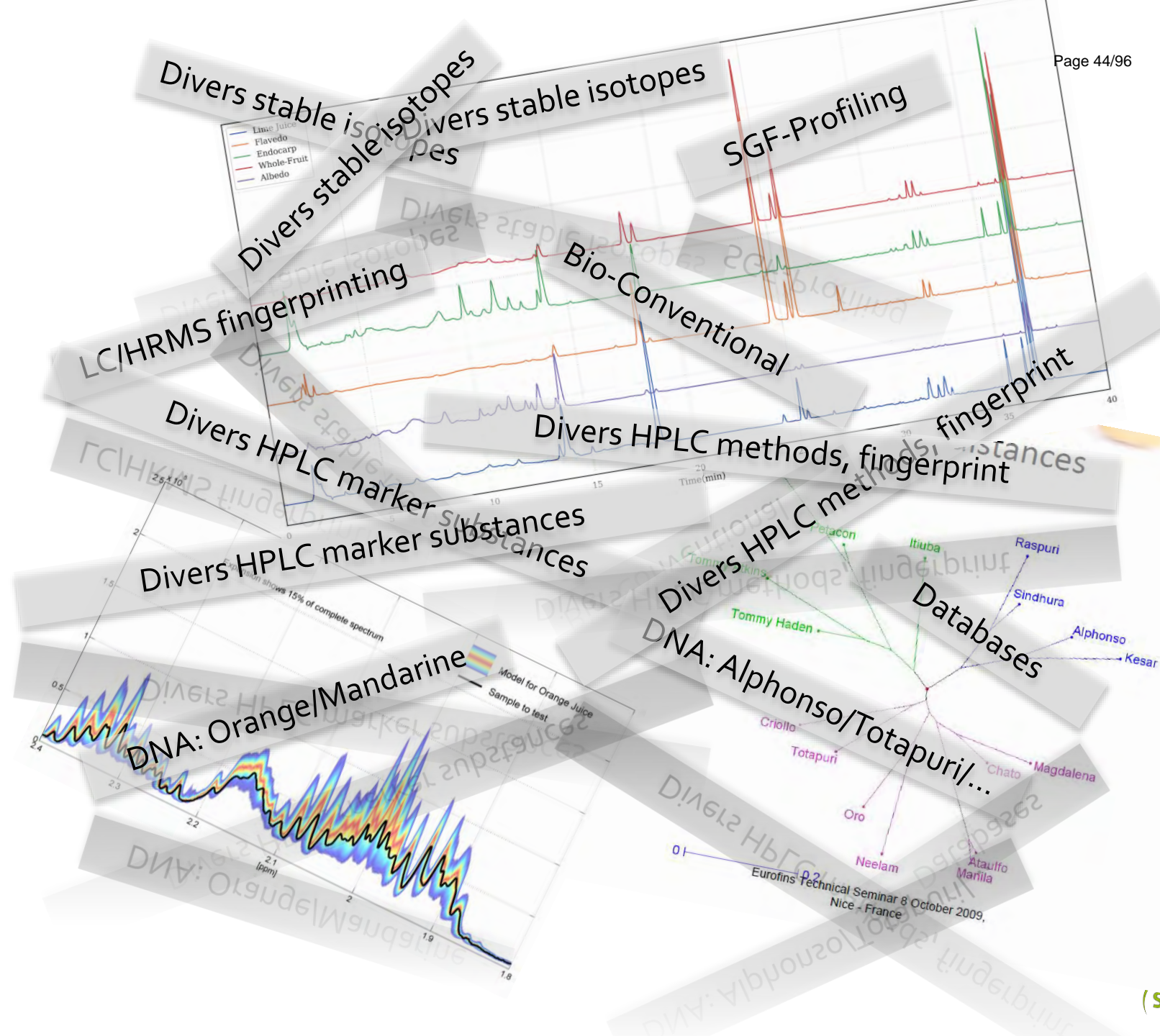
- In future bigger requirements to be fulfilled
- Needs support from SGF by providing specific templates
- Alignment of procedures in the different broker companies...
- Reduction of number of Non-System Goods in juice trades...
- Develop common Raw Material Questionnaires...
- ....

**All in all → Strengthen the SGF/VCS**  
**→ preventing Food Fraud in the fruit juice industry**



R&D

Multiple  
subjects



PROCESSING

WAREHOUSE



# Audit checklist SGF/IRMA

## Processing plants

**Year 1**

Essentials &  
food safety I

Complete scope

**Year 2**

Essentials &  
food safety II

Complete scope

**Year 3**

Essentials &  
food safety III

Complete scope

Today

Tomorrow

PROCESSING



WAREHOUSE



# Audit checklist SGF/IRMAV – Processing plants

Focus on authenticity

Specific for fruit & vegetable production

Food Safety:  
Partly recognition FSSC22000, IFS, BRC,...



BROKER



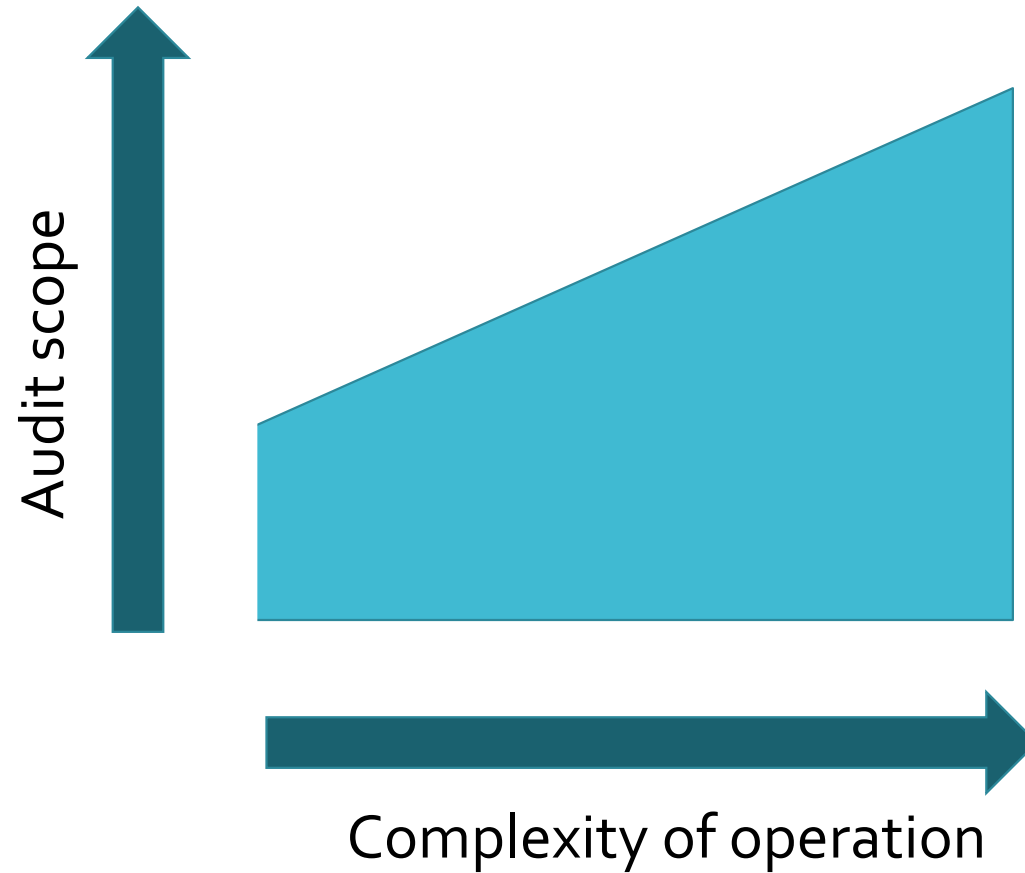
Audit checklist  
SGF/IRMA

-  
Trader &  
Broker

\* to be approved

# Different business models

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Brokerage  
Trade

Blending

Rework

Repacking

Storage

Transport



# Audit checklist SGF/IRMA - Trader & Broker

Chapter	Number questions	Number excl.crit.
1 GENERAL INFORMATION	6 (+ 9)	
2 QUALITY SYSTEM	14	3
3 PRODUCT RESPONSIBILITY	2	
4 PRODUCT BLENDING, REWORK, REPACKING	5	1
5 PRODUCT STORAGE	4	1
6 PRODUCT TRANSPORT	3	
7 HACCP (HAZARD ANALYSES AND CRITICAL CONTROL POINTS)	2	
8 TRACEABILITY	7	1



# Frauds for organic products



Pesticides



Chemical fertilizer



R&D  
-  
Organic  
Fertilizers

R&D  
-  
Organic  
Fertilizers

**Pilot: Orange - Mexico**

Assess organic supply chain



Sampling: Fruits, Juices

Analyses and statistics

# ITEM 3

## Formal Requirements

# 3.1 Financial Statement and Reports 2018

# Financial Statement 2018

## Statement of operating result 2018

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in €	ACTUAL 2017-12-31	Adaptation BUDGET 2018	ACTUAL 2018-12-31	Deviation in BUDGET
<b>EARNINGS</b>				
<b>Member contributions only/Other receipts</b>				
Member contributions only	2.849.379,03	2.820.000	2.948.306,33	128.306
Other receipts	304.114,83	326.500	428.235,27	101.735
<b>TOTAL RECEIPTS</b>	<b>3.153.493,86</b>	<b>3.146.500</b>	<b>3.376.541,60</b>	230.042
<b>EXPENDITURES</b>				
<b>Analyses/Special analyses</b>				
Analyses	747.735,73	755.000	753.788,21	-1.212
Special analyses	27.860,05	20.000	18.424,54	-1.575
	<b>775.595,78</b>	<b>775.000</b>	<b>772.212,75</b>	-2.787
<b>Plant inspections/Sample purchases</b>				
Audits and sample purchases	383.323,27	385.000	364.113,01	-20.887
Special audits/Training of inspectors	9.097,18	36.500	29.151,16	-7.349
	<b>392.420,45</b>	<b>421.500</b>	<b>393.264,17</b>	-28.236
<b>Lawyer and Court</b>	25.972,93	<b>25.000</b>	<b>14.810,24</b>	-10.190
<b>Personnel expenses</b>	1.099.759,50	<b>1.170.000</b>	<b>1.152.719,09</b>	-17.281
<b>Administration</b>	379.098,46	<b>368.000</b>	<b>441.222,01</b>	73.222
<b>Contributions to third parties</b>	15.785,47	<b>15.000</b>	<b>14.426,83</b>	-573
<b>Projects/Other costs</b>	444.049,84	<b>372.000</b>	<b>582.349,15</b>	210.349
<b>TOTAL EXPENDITURES</b>	<b>3.132.682,43</b>	<b>3.146.500</b>	<b>3.371.004,24</b>	224.504
<b>RESULTS</b>	20.811,43	0	<b>5.537,36</b>	

# Balancesheet

<b>ASSETS</b>	<b>2018-12-31</b>	<b>31.12.2017</b>
Operating assets	36.725	55.805
Receivables from contributions and cost reimbursements	157.044	108.187
Other receivables and assets	61.380	87.367
Securities and time deposits	1.332.813	820.368
Cash / bank balance current accounts	232.966	700.965
Accruals and deferrals	27.786	37.418
<b>TOTAL</b>	<b>1.848.714</b>	<b>1.810.110</b>

<b>LIABILITIES</b>	<b>2018-12-31</b>	<b>2017-12-31</b>
Reserve account	1.209.008	1.186.680
Carry over	+ 20.811	+ 22.328
	1.229.819	1.209.008
Current result	5.537	20.811
Reserves	111.301	256.623
Accruals	350.977	92.582
Trade accounts payable and other liabilities	151.079	231.085
Accruals and deferrals	-,-	-,-
	<b>1.848.714</b>	<b>1.810.110</b>

# Capital Reserve

	<u>2018</u>	<u>2017</u>
Status capital reserve	1.229.819,48	1.209.008,05
Carry over previous year		20.811,43
<b>Balance as per 2018-12-31</b>	<b>1.229.819,48</b>	<b>1.229.819,48</b>

# Tax Advisor

Please take notice of the report of the tax advisors.

*You will find the report of the tax office Rüßler – Gürcke, Mz.-Kostheim dated 2019-05-06 on **page 7 of the meeting documents**.*



# 3.2

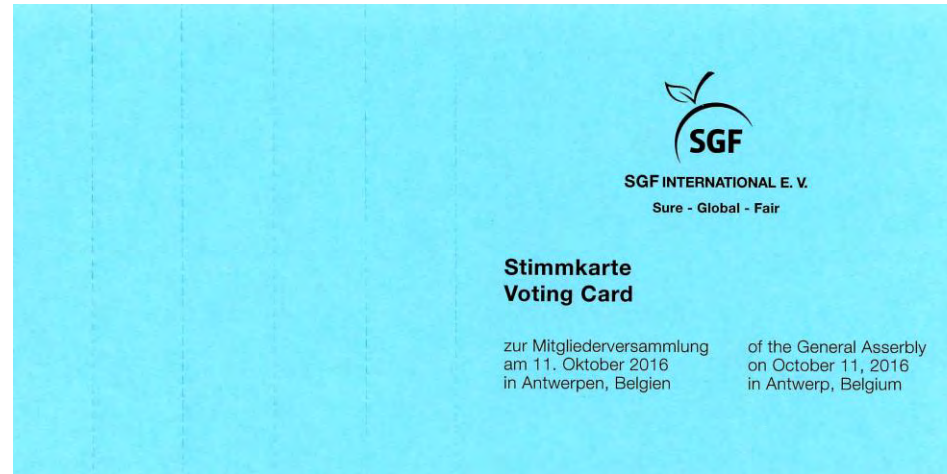
## Auditors' Report

### Hans-Jürgen Freund

## Voting on:

- The Executive Committee asks the General Assembly to approve the financial result 2018 as presented.
- The Executive Committee asks the General Assembly to decide that the result from the 2018 annual account amounting to **5.537,36 €** is transferred to the SGF capital reserve account.

# Voting



Blue:  
Bottlers/Packers



Green:  
Semi-finished products  
suppliers

Please use your voting cards

## 3.3

# Formal approval of the Executive Committee's and the Management's Actions

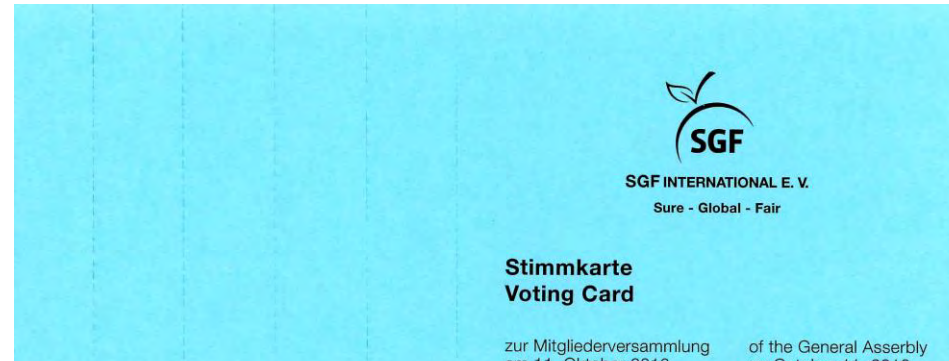
## 3.4 Adaptation of the Budget 2019

# Budget Adaptation 2019

## Adaptation Budget 2019

in €	BUDGET 2019	Adaptation BUDGET 2019	Deviation in Budget
<b>EARNINGS</b>			
<b>Member contributions only/Other receipts</b>			
Member contributions only	2.820.000	2.920.000	100.000
Other receipts	173.500	273.500	100.000
<b>TOTAL RECEIPTS</b>	<b>2.993.500</b>	<b>3.193.500</b>	200.000
<b>EXPENDITURES</b>			
<b>Analyses/Special analyses</b>			
Analyses	755.000	795.000	40.000,00
Special analyses	20.000	20.000	-
	<b>775.000</b>	<b>815.000</b>	40.000,00
<b>Plant inspections/Sample purchases</b>			
Audits and sample purchases	385.000	385.000	-
Special audits/Training of inspectors	20.000	20.000	0
	<b>405.000</b>	<b>405.000</b>	0
<b>Lawyer and Court</b>	<b>25.000</b>	<b>25.000</b>	-
<b>Personnel expenses</b>	<b>1.170.000</b>	<b>1.170.000</b>	-
<b>Administration</b>	<b>365.000</b>	<b>375.000</b>	10.000
<b>Contributions to third parties</b>	<b>2.500</b>	<b>2.500</b>	0
<b>Projects/Other costs</b>	<b>351.000</b>	<b>401.000</b>	50.000
<b>TOTAL EXPENDITURES</b>	<b>3.093.500</b>	<b>3.193.500</b>	100.000
<b>RESULTS</b>	<b>-100.000</b>	<b>0</b>	

# Voting



Blue:  
Bottlers/Packers

Green:  
Semi-finished products suppliers



Please use your voting cards

## 3.5

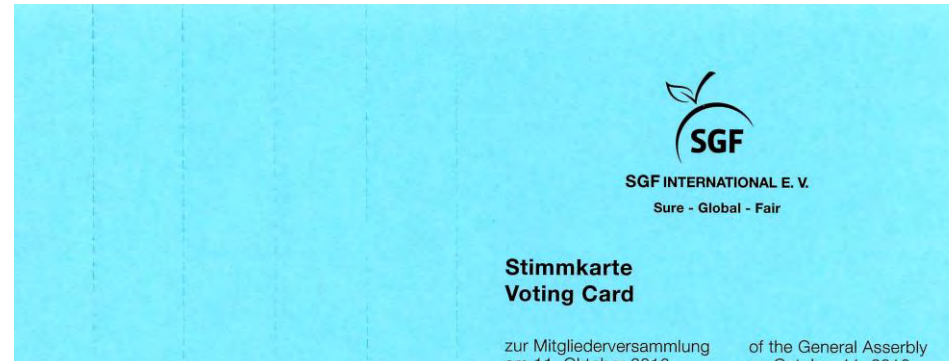
# Suggestion and Approval of the Budget 2020



# Budget Proposal 2020

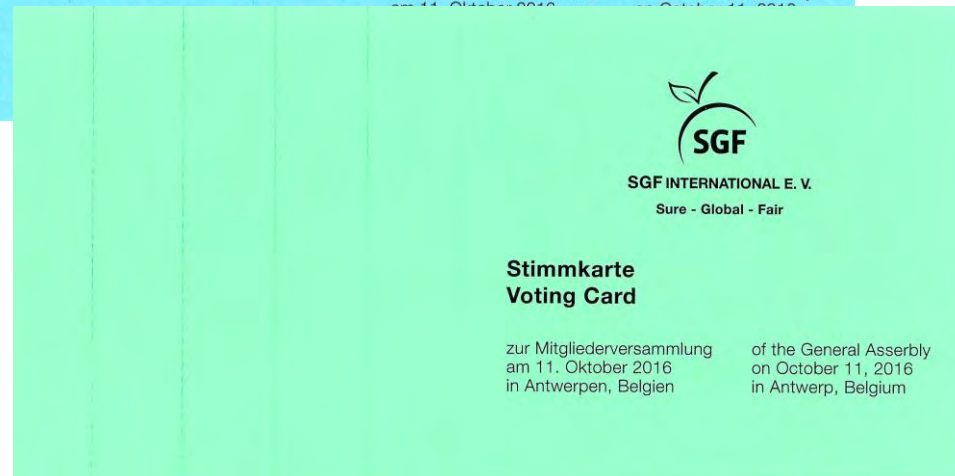
in €	Adaptation <b>BUDGET</b> <b>2019</b>	<b>ACTUAL</b> <b>07/2019</b>	<b>BUDGET</b> <b>2020</b>
<b>EARNINGS</b>			
<b>Member contributions only/Other receipts</b>			
Member contributions only	2.920.000	2.920.500	2.920.000
Other receipts	273.500	53.251,60	173.500
<b>TOTAL RECEIPTS</b>	<b>3.193.500</b>	<b>2.973.751,60</b>	3.093.500
<b>EXPENDITURES</b>			
<b>Analyses/Special analyses</b>			
Analyses	795.000	323.918,04	755.000
Special analyses	20.000	199,19	20.000
	<b>815.000</b>	<b>324.117,23</b>	775.000
<b>Plant inspections/Sample purchases</b>			
Audits and sample purchases	385.000	169.496,96	385.000
Special audits/Training of inspectors	20.000	2.273,25	20.000
	<b>405.000</b>	<b>171.770,21</b>	405.000
<b>Lawyer and Court</b>	<b>25.000</b>	<b>10.437,07</b>	25.000
<b>Personnel expenses</b>	<b>1.170.000</b>	<b>599.230,09</b>	1.170.000
<b>Administration</b>	<b>375.000</b>	<b>229.100,94</b>	375.000
<b>Contributions to third parties</b>	<b>2.500</b>	<b>1.155,00</b>	2.500
<b>Projects/Other costs</b>	<b>401.000</b>	<b>161.656,28</b>	401.000
<b>TOTAL EXPENDITURES</b>	<b>3.193.500</b>	<b>1.497.466,82</b>	3.153.500
<b>RESULTS</b>	<b>0</b>	<b>1.476.284,78</b>	<b>-60.000</b>

# Voting



Blue:  
Bottlers/Packers

Green:  
Semi-finished products suppliers



Please use your voting cards

## 3.6

# Drawing of 10 Companies for Checking the Statement of Turnover

[Tombola\Tombola2016.jar](#)

# ITEM 4

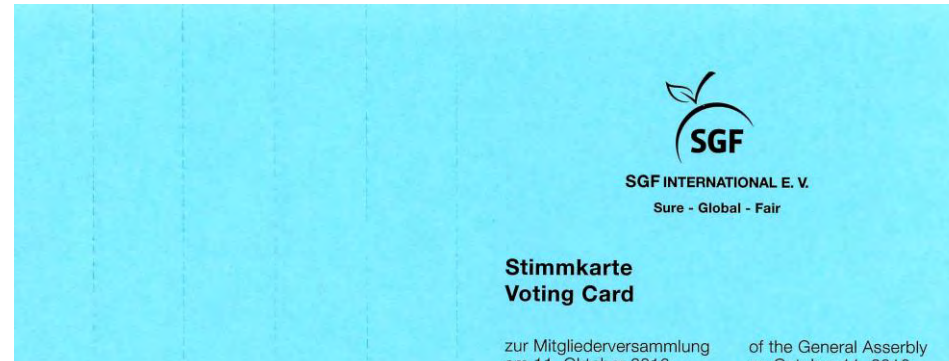
## Elections

# 4.1 Elections to the Executive Committee

# Executive Committee

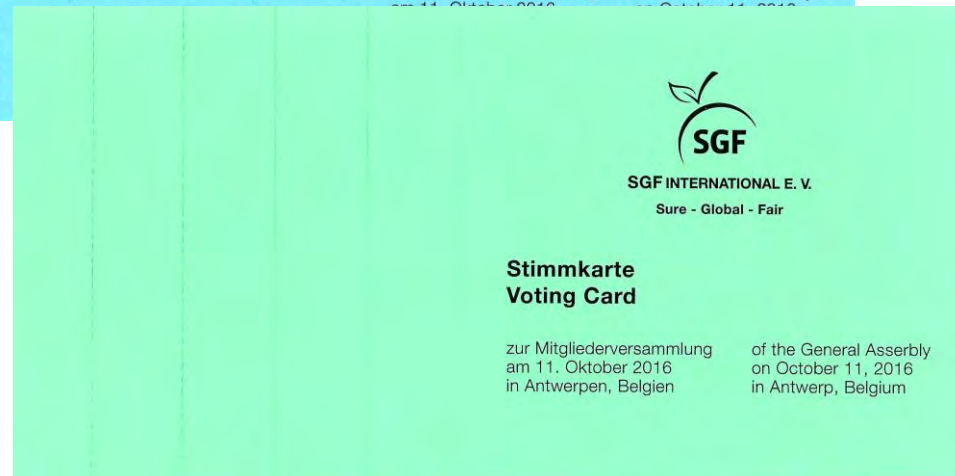
EC	elected	expiration	willingness (re)-election
(7 elected Board members + 2 Delegates + 5 co-opted members)			
<b>Abboud, Carlos - Vice President</b> Newbell Trade, Montevideo, Uruguay	2016	2019	yes
<b>Gamsjäger, Christian - Vice President, representative of the IQCS Board</b> Rauch Hungary Kft., Nyirmada, Hungary	2016	2019	yes
<b>Neuhäuser, Dr. Karl</b> Eckes-Granini Group GmbH, Nieder-Olm, Germany	2016	2019	yes
<b>Niemann, Claudia</b> Stute Nahrungsmittelwerke GmbH, Paderborn, Germany	2016	2019	yes
<b>Poulsen, Steen</b> Kelterei Possmann GmbH Co. KG, Frankfurt, Germany	2016	2019	no
<b>Schellekens, Mia</b> SVZ International B.V., Breda, Netherlands	2018	2021	
<b>Torres, Adao</b> Sucocitríco Cutrale Ltda., Araraquara, Brasil	2016	2019	yes
<b>Tretzel, Dr. Joachim, President</b> Döhler GmbH, Darmstadt, Germany	2018	2021	
<b>Co-Opted</b>			
<b>Schweikert, Dirk</b> ADM Wild Europe GmbH & Co. KG, Eppelheim, Germany	2018		
<b>Tersteegen, Urda</b> Niederrhein-Gold, Teerstegen GmbH, Moers, Germany	2018		

# Voting



Blue:  
Bottlers/Packers

Green:  
Semi-finished products suppliers



Please use your voting cards

## 4.2 Elections to the IRMA Board



# IRMA Board

<b>IRMA Board</b> (up to 7 elected Board members + up to 5 co-opted members)	<b>elected</b>	<b>expiration</b>	<b>willingness (re)-election</b>
<b>Argilés Figuerola, Xavier</b> Nufri Sociedad Agraria de Transformacion no. 1596, Mollerussa, Spain	2018	2021	
<b>Pereira Filho, Oséia</b> Citrosuco S/A, Matao, Brasil	2018	2021	
<b>Rotmans, Gijs</b> Louis Dreyfus & Cie Rotterdam B.V., Rotterdam, Netherlands	2016	2019	yes
<b>Rouwen, Dr. Franz-Michael - Chairman since 20 June 2018</b> Döhler GmbH, Darmstadt, Germany	2018	2021	leaves the Board
<b>Strydom, Ansja</b> Magaliesberg Citrus Company (Pty) Ltd., South Africa	2018	2021	
<b>Wegener, Martin</b> Klaus Böcker GmbH, Buxtehude, Germany	2016	2019	yes
<b>Zache, Dr. Ulrich</b> Austria Juice GmbH, Allhartsberg, Germany	2017	2020	
<b>Dr. Berezovsky, Noach (co-opted)</b> Waknine & Berezovsky Co Ltd, Savyon, Israel	2010		
<b>Saravia, Jorge (co-opted)</b> Argenti Lemon SA, Argentina	2018		

# Voting



Green:  
Semi-finished products suppliers

Please use your voting cards

## 4.3 Elections to the IQCS Board

# IQCS Board

<b>IQCS Board</b> (up to 7 elected Board members + up to 5 co-opted members)	<b>elected</b>	<b>expiration</b>	<b>willingness re-election</b>
<b>Dietz, Rolf</b> Rickertsen, Hamburg, Germany	2016	2019	yes
<b>Gamsjäger, Christian</b> - Chairman, Delegate to the EC Rauch Hungary Kft., Nyirmada, Hungary	2016	2019	yes
<b>Hurmerinta, Torsti</b> Eckes-Granini Finland Oy AB, Turku, Finland	2016	2019	no
<b>Naujoks, Dirk</b> Bösch-Boden-Spies GmbH & Co.KG, Hamburg, Germany	2016	2019	yes
<b>Stöckinger, Achim</b> Amecke Fruchtsaft GmbH&Co. KG, Menden, Germany	2016	2019	yes

# Voting



Blue:  
Bottlers/Packers

Please use your voting cards

## 4.4 Elections of the Financial Auditors

# Financial Auditors

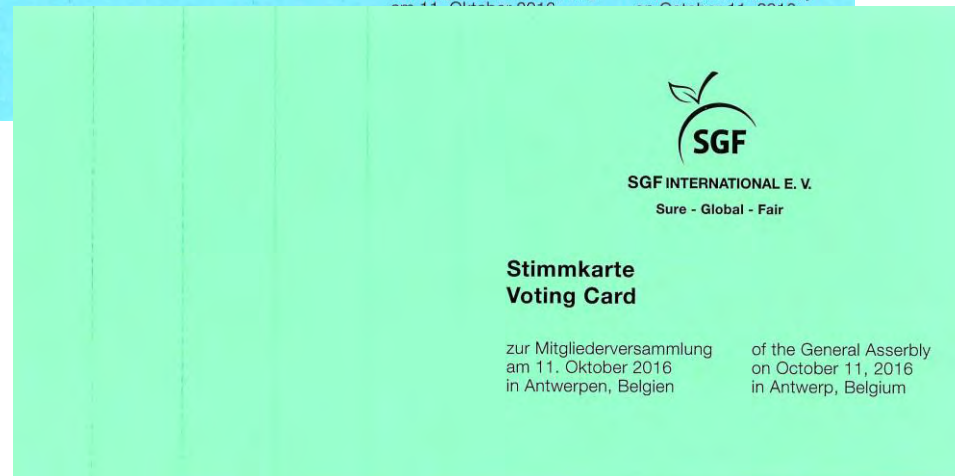
	elected	expiration	willingness re-election
<b>Carriere, Moritz</b> Carrière GmbH Committed To Taste,	2016	2019	yes
<b>Freund, Hans-Jürgen</b> BAD HÖNNINGER Fruchtsäfte und Weine GmbH, Bad Hönningen	2016	2019	yes

# Voting



Blue:  
Bottlers/Packers

Green:  
Semi-finished products suppliers



Please use your voting cards



# ITEM 5

## Motions to the General Assembly

→ No Motions in 2019

# ITEM 6

## Miscellaneous

Thank you very much  
for your Trust and  
Support





## Statement of operating result 2019

in €	IST 31.12.2018	BUDGET Nachtrag 2019	IST 31.12.2019	Abweichung IST- BUDGET Nachtrag
<b>EARNINGS</b>				
<b>Member contributions only/Other receipts</b>				
Member contributions only	2,948,306.33	2,920,000	2,911,150.00	-8,850
Other receipts	428,235.27	273,500	244,148.85	-29,351
<b>TOTAL RECEIPTS</b>	<b>3,376,541.60</b>	<b>3,193,500</b>	<b>3,155,298.85</b>	<b>-38,201</b>
<b>EXPENDITURES</b>				
<b>Analyses/Special analyses</b>				
Analyses	753,788.21	795,000	756,355.33	-38,645
Special analyses	18,424.54	20,000	19,622.39	-378
	<b>772,212.75</b>	<b>815,000</b>	<b>775,977.72</b>	<b>-39,022</b>
<b>Plant inspections/Sample purchases</b>				
Audits and sample purchases	364,113.01	385,000	393,151.60	8,152
Special audits/Training of inspectors	29,151.16	20,000	7,774.24	-12,226
	<b>393,264.17</b>	<b>405,000</b>	<b>400,925.84</b>	<b>-4,074</b>
<b>Lawyer and Court</b>	14,810.24	<b>25,000</b>	<b>12,076.54</b>	<b>-12,923</b>
<b>Personnel expenses</b>	1,152,719.09	<b>1,170,000</b>	<b>1,187,995.68</b>	<b>17,996</b>
<b>Administration</b>	441,222.01	<b>375,000</b>	<b>401,630.37</b>	<b>26,630</b>
<b>Contributions to third parties</b>	14,426.83	<b>2,500</b>	<b>1,598.93</b>	<b>-901</b>
<b>Projects/Other costs</b>	582,349.15	<b>401,000</b>	<b>373,553.10</b>	<b>-27,447</b>
<b>TOTAL EXPENDITURES</b>	<b>3,371,004.24</b>	<b>3,193,500</b>	<b>3,153,758.18</b>	<b>-39,742</b>
<b>RESULTS</b>	5,537.36	0	<b>1,540.67</b>	

The result for the year 2019 is a narrow surplus of € 1,540.67.

### EARNINGS

The membership fees are close to the supplementary budget for 2019.

A total of € 3,155,299 in income has been achieved.

Other revenues and income mainly include the following items:



#### Earnings from

- the Roadshows 6,445 €
- laboratory comparison test 14,271 €
- Juice Summit 50,000 €
- reimbursement of costs in cases of VCS-nonconformance 16,687 €
- car use and benefits in kind 26,813 €
- service flat rate SGF Service Plus GmbH 22,604 €
- total income from written-off receivables and the reversal of value adjustments 16,489 €
- other interest, income from securities 17,603 €
- extraordinary income from provisions and reserves 58,754 €

Other revenues and income are thus 29,351 € lower than planned in the supplementary budget.

#### EXPENDITURES

The total expenditure comprises 3,153,758.18 €.

A total of 775,978 € was spent on analyses and special analyses.

Expenditure for audits and sample procurement amounted to 393,151.60 €. 7,774 € were needed for special controls.

General legal and consultancy costs remained below budget at 12,076.54 €.

Personnel costs primarily include salaries with social insurance contributions, contributions to the employers' liability insurance association, direct insurance policies in connection with salary conversion, tax expenses for vehicle costs, pension payments and company pension schemes.

Expenses for administration amounted to 401,630.37 €. These mainly include rental and ancillary costs, insurance, vehicle leasing, other leasing, depreciation, postage/telephone and consulting costs, IRMA Office Asia and other expenses.

There was an increase in meeting and travel expenses, office and IT requirements as well as non-deductible input tax. The expenditure is 26,630 €.

Project costs include time-limited projects and unforeseeable business transactions in the reporting period.

At 373,553 €, the expenditure is below the supplementary budget.

PR activities, member recruitment by SGF auditors on site and trade fair expenses amount to 9,838 €.



The expenditure for IT (109,943 €) is as follows:

- IT-Project + Programming (2,151 €);
- Auditors App (5,431 €);
- Intranet (23,929 €);
- Extranet (38,081 €);
- Website (29,551 €);
- IT Architecture (10,710€ )

This time there were no value adjustments on receivables, but write-downs on receivables amounted to 136,156 € (previous year 97,482 €). The collection of the written-off receivables is constantly monitored.

Other expenses include currency differences, incidental costs and account management fees.

Other extraordinary expenses: These are mainly legal fees not incurred for food law proceedings. A further item is the write-off of a residual book value.

## RESULT

2019 closes with an annual result of 1,540.67 €.

The Executive Committee recommends that the General Assembly decides,

**to transfer the result from the 2019 financial statement amounting to 1,540.67 € to the capital reserve account.**



## Balance Sheet as of 31. December 2019

In addition to the SGF profit and loss account, a balance sheet is presented to the General Assembly. The balance sheet total as of 31.12.2019 amounts to 1,611,175.32 (2018: 1,848,714.11 €).

The following explanations are given for the individual asset/liability items:

ASSETS	2019-12-31	2018-12-31
Operating assets	210,362	36,725
Receivables from contributions and cost reimbursements	118,575	157,044
Other receivables and assets	112,229	61,380
Securities and time deposits	925,856	1,332,813
Cash / bank balance current accounts	212,525	232,966
Accruals and deferrals	31,628	27,786
<b>TOTAL</b>	<b>1,611,175</b>	<b>1,848,714</b>

Fixed assets include intangible assets, e.g. licenses and purchases in the area of property and equipment, e.g. PC systems, business equipment and office equipment, cold storage facilities and the telephone system.

A new item is the IT architecture with the working title "Saviour", for which advance payments were made. Low-value assets (MLA) are written off immediately.

Outstanding claims from contributions are duly value-adjusted. The calculation of the value adjustments is based on experience and payment behaviour in the past.

### Other receivables and other assets

Expected refunds from the advance VAT returns had not yet been paid as of the balance sheet date. Receivables from advances, such as a corporation tax refund claim and a small interest portion are still outstanding.

The Euro credit balance in cash on hand and in the bank account is 199,797.23 € as of 31.12. The US\$ currency account is converted at the € reference rate of the European Central Bank as of 31.12. at 12,728.07 €.

Prepaid expenses include insurance fees, contributions to third parties, travel expenses for the following year and an accrued pension amount.



LIABILITIES	2019-12-31	2018-12-31
Reserve account	1,229,819	1,209,008
Carry over	+ 5,537	+ 20,811
	1,235,357	1,229,819
Current result	+ 1,541	+ 5,537
Reserves	89,601	111,301
Accruals	109,617	350,977
Trade accounts payable and other liabilities	175,059	151,079
Accruals and deferrals	-, -	-, -
	<b>1,611,175</b>	<b>1,848,714</b>

In accordance with the resolution of the General Assembly 2019 in Antwerp, the annual result 2018 in the amount of 5,537 € was transferred to the SGF capital reserve account.

The SGF capital reserve account thus stands at 1,235,356.84 €.

The result of the current 2019 budget shows a surplus of 1,540.67 € in total as of 31.12. With the profit carried forward, the equity capital amounts to 1,236,897.51 € on the balance sheet date.

The **reserves** amount to 89,601 € and include IT projects, the successive depreciation of the telephone system and analysis projects.

Reserves presuppose a liability and are formed in accordance with reasonable commercial prudence. They include expected costs, such as costs for the annual financial statements, contributions to the employers' liability insurance association, additional claims for rent and incidental costs, expenses for audits already performed and analyses commissioned, a salary bonus as well as costs for financial statements and audits.

**Trade payables** are mainly services provided by contract laboratories and control partners and were not invoiced until after 31 December 2019.

**Other liabilities** include other general services, e.g. liabilities from wage and church tax, social security and social security systems in other European countries.





## Capital Reserve Account

ACCOUNTING		
	<u>2019</u>	<u>2018</u>
Status Capital Reserve	<b>1.235.356,84</b>	1.229.819,48
Carry over previous year	<b>1.540,67</b>	5.537,36
<b>Balance as per 2019-12-31</b>	<b>1.236.897,51</b>	1.235.356,84

### EXPLANATION

In 1989, a group of members made additional purpose-bound sponsor payments in addition to the regular membership dues to build up a reserve fund. Thereafter, the reserve account was repeatedly replenished with surpluses from the annual accounts.

According to § 8 of the statutes, the reserve account serves to secure the work and business-related risks in the long term. The statutes provide in § 8 for the possibility of gradually building up a reserve in the amount of an annual budget, following a resolution of the General Assembly.

The General Assembly authorises the Executive Committee to dispose of the funds of the reserve account in accordance with the purpose for which they are earmarked.

By resolution of the General Assembly 2019 in Antwerp, the annual result 2018 of 5,537.36 € has been allocated to the capital reserve account.

The balance of the capital reserve account as of 31.12.2018 amounts to a total of 1,235,356.84 €.

The Executive Committee recommends that the General Assembly 2020 adopt a resolution,

**to transfer the 2019 annual result of 1,540.67 € to the SGF capital reserve account.**

*[Translated excerpt from the German letter]*

## **REPORT Tax Office**

**Heinz Rüssler – Rudolf Gürke – Susanne Rüssler – Christian Rüssler**  
Steuerbevollmächtigte – Dipl.-Volkswirt - Steuerberater

5 June 2020

## **YEAR-END CLOSING 2019**

The 2019 annual accounts have been issued on the basis of the bookkeeping we carried out, the documents presented and the information provided.

The following can be attested for the annual accounts of SGF International e.V. to 31 December 2019:

The annual accounts were properly developed from the closing balance of the previous calendar year and the business transactions of the calendar year accounted for. There were no complaints.

The documents are well ordered.

The ongoing bookkeeping is carried out without delay.

Receivables, contributions and liabilities have been booked in full; the securities account was verified by an investment account statement, the cash accounts by bank statements.

Assets and liabilities were evaluated on the basis of commercial and fiscal regulations.

A review of the contents of the documents was not part of this order.

[signature]

SUSANNE RÜSSLER  
Tax advisor

Note in accordance with Section 33 of the German Data Protection Act (BDSG): Your data has been stored electronically.

***(Translation from the German original)***

**Auditors' Report  
regarding the Statement on Operating Results 2019**

On 11 October 2016 in Antwerp, the SGF General Assembly elected the undersigned, Mr. Hans Jürgen Freund, BAD HÖNNINGER Fruchtsäfte und Weine GmbH, Bad Hönningen, and Mr. Moritz Carrière, Carrière GmbH Committed To Taste, Hamburg, as financial auditors.

In exercising this function, we are presenting the following report:

The SGF office provided us with the 2019 year-end report, the report of the tax firm Heinz Rüssler – Rudolf Gürke – Susanne Rüssler – Christian Rüssler, Mainz-Kostheim, and all supporting documents for auditing.

We checked and discussed these papers on 17 June 2020. To the extent to which questions arose from this, they were plausibly answered and clarified.

With our audit, we made sure that payment transactions are being documented in a well organised manner and are verifiable by bank statements.

Cash management was in order and – as our spot checking revealed – is being carried out in a proper and traceable manner. Bank accounts and accounting documents were reconciled and there was no cause for complaint. The same is confirmed in the tax office's report for the 2019 accounts.

As already attested to in previous years, the good and pleasing impression of how the accounting is organised and the record-keeping can also be confirmed for 2019.

We would like to recommend that the General Assembly approve the annual accounts and discharge the Executive Committee and the Management for the business year 2019.

Video Conference, 17 June 2020

[signatures]

[signatures]

.....

Hans Jürgen Freund

.....

Moritz Carrière



The budget proposal for 2020 was presented and approved by the General Assembly in Antwerp/Belgium on 30 September 2019.

Certain adjustments had to be made to the 2020 budget, which are explained as follows:

## Adaptation Budget 2020

in €	BUDGET 2020	Adaptation BUDGET 2020	Deviation in Budget
<b>EARNINGS</b>			
<b>Member contributions only/Other receipts</b>			
Member contributions only	2,920,000	2,910,000	- 10,000
Other receipts	173,500	125,900	-47,600
<b>TOTAL RECEIPTS</b>	<b>3,093,500</b>	<b>3,035,900</b>	-57,600
<b>EXPENDITURES</b>			
<b>Analyses/Special analyses</b>			
Analyses	785,000	790,000	5,000.00
Special analyses	20,000	20,000	-
	<b>805,000</b>	<b>810,000</b>	5,000.00
<b>Plant inspections/Sample purchases</b>			
Audits and sample purchases	385,000	385,000	-
Special audits/Training of inspectors	20,000	20,000	-
	<b>405,000</b>	<b>405,000</b>	-
<b>Lawyer and Court</b>	<b>25,000</b>	25,000	-
<b>Personnel expenses</b>	<b>1,170,000</b>	1,170,000	-
<b>Administration</b>	<b>375,000</b>	401,400	26,400
<b>Contributions to third parties</b>	<b>2,500</b>	2,000	-500
<b>Projects/Other costs</b>	<b>401,000</b>	222,500	-178,500
<b>TOTAL EXPENDITURES</b>	<b>3,183,500</b>	3,035,900	-147,600
<b>RESULTS</b>	<b>-90,000</b>	<b>0</b>	



## **RECEIPTS**

Status June 2020 there is a requirement to reduce the income from membership fees.

Other revenues and income are to be reduced significantly due to the necessary postponement of the roadshows and the Summit.

The usual items such as cost reimbursements in case of complaints, the flat rate of SGF Service Plus GmbH, income from microbiological comparative laboratory tests and car use remain unchanged.

## **EXPENDITURES**

The analysis budget was slightly increased.

5,000 € is added to the item special controls/auditor workshop from the account site controls/sample procurement. However, the total expenditure remains the same.

There has been a considerable increase in costs for premises, licences, immediate depreciation, and tax consultants, which has led to additional costs of 26,400 €.

Contributions to third parties have been reduced by 500 €.

Project activities and other costs include time-limited projects and unforeseeable business transactions.

Expenses for the new IT architecture are written off over 3 years. Depreciation will start with the go-live at the end of October 2020, with only 5,000 € for 2020. Foreign travel, PR expenses, road shows, Juice Summit have been largely suspended. Therefore, the planned expenditures can be reduced in the supplementary budget.

## **RESULT**

It is expected that the revenue/expenditure planning in the supplementary budget 2020 will lead to a balanced result.



The SGF Executive Committee and secretariat are presenting a budget proposal for the 2021 financial year to be decided by the General Assembly.

***For a better understanding of the budget proposal 2021, please also read the explanations below the table.***

## Budget Proposal 2021

in €	Adaptation BUDGET 2020	BUDGET 2021
<b>EARNINGS</b>		
<b>Member contributions only/Other receipts</b>		
Member contributions only	2,910,000	<b>2,900,000</b>
Other receipts	125,900	<b>121,350</b>
<b>TOTAL RECEIPTS</b>	<b>3,035,900</b>	<b>3,021,350</b>
<b>EXPENDITURES</b>		
<b>Analyses/Special analyses</b>		
Analyses	790,000	<b>790,000</b>
Special analyses	20,000	<b>20,000</b>
	<b>810,000</b>	<b>810,000</b>
<b>Plant inspections/Sample purchases</b>		
Audits and sample purchases	380,000	<b>350,000</b>
Special audits/Training of inspectors	25,000	<b>20,000</b>
	<b>405,000</b>	<b>370,000</b>
<b>Lawyer and Court</b>	<b>25,000</b>	<b>25,000</b>
<b>Personnel expenses</b>	<b>1,170,000</b>	<b>1,170,000</b>
<b>Administration</b>	<b>401,400</b>	<b>534,850</b>
<b>Contributions to third parties</b>	<b>2,000</b>	<b>2,000</b>
<b>Projects/Other costs</b>	<b>222,500</b>	<b>217,000</b>
<b>TOTAL EXPENDITURES</b>	<b>3,035,900</b>	<b>3,128,850</b>
<b>RESULTS</b>	<b>0</b>	<b>-107,500</b>



## RECEIPTS

Due to the Covid 19 pandemic and its unforeseeable effects, the development of income is currently not foreseeable. Loss of members and insolvency of individual members may occur in 2021, but currently there is no evidence for this. We therefore assume a stable income situation. The situation will become clearer in March 2021, so that countermeasures can then be taken.

## EXPENDITURE

The analytical budget remains stable. The budget for operational controls/sample procurement has been reduced due to probably reduced travel costs.

The budget for general consulting expenses lawyer/court is kept stable at 25,000 €. Therefore, the account for handling critical complaint cases is unchanged.

The personnel budget contains the usual personnel costs.

Administration: Unchanged are insurance, vehicle costs, representation expenses, maintenance, postage/telephone, office supplies and other operating expenses. The travel expense budget was reduced.

The rental contracts for premises of SGF have been terminated by the lessor as of 31.01.2021. New premises have already been rented, which will result in a significant reduction in rental costs.

The new software solution "Saviour", total invest approx. 500,000 €, will be depreciated over 3 years from 2021. This results in the increased administration budget. Estimated expenditure is 534,850 €.

Contributions to third parties amount to 2,000 €.

Project cost budget and other costs

Temporary projects and unforeseeable business transactions during the reporting period are recorded under this account. The project budget is 217,000 €.

General project costs include roadshows, microbiological laboratory comparative tests, Juice Summit, conferences in Germany and abroad, PR activities, trade fair expenses, consulting expenses and the organic origin project.

Write-offs of receivables and value adjustments are estimated at 90,000 €.



## RESULT

The revenue and expenditure planning submitted for 2021 leads to a negative result, due to the additional expenditure for the new "Saviour" software solution, which has already been approved by the 2019 general assembly.

**The management has been instructed to keep a close eye on the development of income and expenditure and to implement any countermeasures that may become necessary. The goal must be to close the financial year with a surplus also in 2021. The management will regularly inform the Executive Committee of the current financial situation and take all measures to maintain the quality of the work to the same extent as before.**

Eventual deficits which could not be compensated by adequate countermeasures could be balanced by the capital reserve (currently approx. € 1,200,000).

The Executive Committee recommends that the General Assembly approves the 2021 budget as proposed.