Forsikringens Datacenter A/S (FDC)

Lautrupvang 3 A, DK-2750 Ballerup

CVR no. 10 31 76 30

Annual report 2015

Approved at the annual general meeting of shareholders on 26 May 2016

Chairman:

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Building a better
working world

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Forsikringens Datacenter A/S (FDC) for the financial year 1 January - 31 December 2015.

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 Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Ballerup, 26 May 2016
Executive Board:

Birthe Elkjær
CEO

Board of Directors:

Kaare Steinar Østgaard
Chairman

Klaus Arpe

Allan Luplau

Frank Høst Meyer

Gitte Maÿland Hansen

Independent auditors' report

To the shareholders of Forsikringens Datacenter A/S (FDC)

Independent auditors' report on the financial statements

We have audited the financial statements of Forsikringens Datacenter A/S (FDC) for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

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

Copenhagen, 26 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Mona Blønd
state authorised public accountant

Anders Duedahl-Olesen
state authorised public accountant

Management's review

Company details

Name	Forsikringens Datacenter A/S (FDC)
Address, Postal code, City	Lautrupvang 3 A, DK-2750 Ballerup
CVR No.	10 31 76 30
Established	1 July 1986
Registered office	Ballerup
Financial year	1 January - 31 December
Website	www.fdc.dk
E-mail	info@fdc.dk
Telephone	+45 44 65 45 00
Telefax	+45 44 65 48 84
Board of Directors	Kaare Steinar Østgaard, Chairman Klaus Arpe Allan Luplau Frank Høst Meyer Gitte Maÿland Hansen
Executive Board	Birthe Elkjær, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKK'000	2015	2014	2013	2012	2011
Key figures					
Revenue	315,712	352,989	345,237	321,844	307,979
Operating profit/loss	-17,966	-5,201	2,378	15,664	22,994
Net financials	-1,461	-1,564	-2,144	1,999	204
Profit/loss for the year	**-17,780**	**-10,117**	**591**	**13,175**	**17,334**
Total assets	140,312	192,233	153,292	136,801	120,279
Equity	**44,416**	**62,196**	**72,313**	**71,722**	**58,547**
Cash flows from operating activities	57,783	-7,238	15,266	2,510	26,955
Net cash flows from investing activities	-2,301	-7,870	-15,994	-18,753	-11,479
Cash flows from financing activities	0	0	-113	-213	-12,843
Financial ratios					
Operating margin	-5.7%	-1.5%	0.7%	4.9 %	7.5 %
Solvency ratio	31.7%	32.4%	47.2%	52.4%	48.7%
Return on equity	-33.4%	-15.0%	0.8%	20.2%	29.6%
Average number of employees	**281**	**300**	**310**	**284**	**269**

Management's review

Operating review

The Company's business review

Vision

FDC's role is to provide solutions that lower our customers' costs by utilizing technology and standard applications - and to a build bridge between our customer and the insured, hence retaining and providing new engagements. Using FDC as solution provider will lower the IT costs with a positive impact on the customers' administration costs. We are proud to be able to offer solutions that provide the insurance and pension sector with the IT foundations needed to win in tomorrow's market. The focused and ambitious companies that have already selected our platform will undoubtedly stay on the innovative course they have set for themselves.

Business area

FDC offers three business models:

- Large scale operations, delivered at Saas (Software as a Service), which is based on the F2100 common IT platform.
- Application Management (special customer solution) & Operation.
- Guidewire: implementation, application management and hosting.

We are able to provide operational reliability at known costs in our datacenter for the Pension & Insurance industry. We provide implementation of standard systems for both Insurance and Pension based on our shared model for implementation and innovation.

FDC is a well-established supplier with 50 years of business experience. Our office is located in Ballerup. We possess detailed insight in processes and techniques within both the Insurance and Pension area. We are able to design solutions based on our business insight and experience, in order to deliver on the time, scope and price agreed. We continue to develop our project model to reflect the need for fast development combined with project management. In 2015, we designed a new global delivery model to respond to faster delivery (more capacity) and over time reduce our prices in development.

In 2015, FDC divested Process Factory ApS as a part of a management buyout. We believe that Process Factory can execute their go-to-market plan more sufficiently as an independent company. FDC and Process Factory will continue to collaborate on our shared customers to ensure delivery of efficient services.

Financial review

In 2015, the company's revenue came in at DKK 315,712 thousand against DKK 352,989 thousand last year. The income statement for 2015 shows a loss of DKK 17,780 thousand against a loss of DKK 10,117 thousand last year, and the balance sheet at 31 December 2015 shows equity of DKK 44,416 thousand.

FDC will pay no dividends for this year.

The annual result has not met the expectations as presented in the annual report for 2014 (a profit of DKK 1,000 thousand) and is primarily influenced by a few specific projects where FDC has used more hours than budgeted for. We have reviewed our project portfolio for progress versus spend and we have taken the needed precautionary measures and provided for the loss. Hence, we expect our project portfolio to deliver according to plan in the future. Other factors that influenced the result in a negative way was the divestment of Process Factory and the closing of FDC's office in Norway.

Based on our reorganization per 1 January 2015, the new management team reduced the number of staff in February 2015. Based on a lower order entry in Q3, a second round of staff reduction was carried out in November 2015. During 2015, we have executed our 'Fix the Basics Programme' to reduce costs and optimize our operation to become a more efficient company. We have succeed in reducing our costs compared to 2014.

Management's review

Operating review

Non-financial matters

Clients

In 2015, we continued to maintain a good relationship with our clients, and our focus is to develop the relationship even further with strategy workshops, common innovation in 2016. We deliver according to our long-term contracts. We take in new projects from clients with new product development where we support the IT enabling of our customers' future offering and daily operation based on F2100. We continue to deliver new functionalities for PensionDanmark's solution in 2016 and other clients in the Life & Pension business.

We are building our services to become a partner within implementation, application management and operation for our new insurance core system based on Guidewire. In 2016, we will build a country layer for the three Nordic countries starting with Denmark. This will include all needed integrations and the gaps between Nordic insurance legislation and the Guidewire standard software.

Knowledge resources

In 2015, we employed an average of 281 employees and our employees within the field of IT technology are highly qualified within both IT as well as insurance and pension. Many of our developers have obtained level 4 or higher from the Danish Insurance Training Academy (Forsikringsakademiet), and they all have solid IT qualifications. Within the area Life and Pension (Liv & Pension), FDC has employees with qualifications as actuaries. We maintain a high level of expertise - and we continuously succeed in recruiting and maintaining our employees. In our opinion, we are the company in the Nordic countries with the largest number of analysts and developers with actual experience within development of IT for insurance and pension.

In 2015, we have taken our project governance model to the next level to ensure our project delivery. We are working in an agile way in our development and have a number of certified project managers in SCRUM or similar.

Special risks

Business risks

We offer our IT standard solution F2100 and we develop customized solutions within Insurance and Pension. We base our business on long-term contracts for maintenance and operations. We develop specific solutions based on own development or third party solutions and components, mainly based on time and material.

Based on this, FDC's risks are limited to the ability to deliver the specific solutions on time to the estimated price and to have add on sale on the developed solutions for other clients.

Price risks

The majority of FDC's staff costs and direct production costs relate to expenses to hardware and software as well as other expenses and consumables. FDC's staff costs, wages and pension contributions to FDC employees are in line with market trends. As for expenses to hardware and software as well as other expenses and consumables, FDC is only dependent on specific suppliers to a limited extent. Consequently, FDC can obtain very competitive prices.

Currency risks

The majority of FDC's invoicing takes place in Danish kroner and a minor part takes place in Norwegian kroner. FDC considers the currency risk as being limited.

Interest risks

FDC has only to a limited extent long-term liabilities other than provisions. Consequently, the interest risk is limited.

Management's review

Operating review

Statutory CSR report

Based on our CSR policy, we wish to contribute to mutually beneficial financial results, which are also based on a social, environmental and social responsibility.

We wish to grow in a financially and socially responsible manner by running a sound and stable business for the benefit of our clients, employees, shareholders and society.

Environment and Climate

Since FDC is not an energy-heavy company, we do not have direct policies and plans regarding environment and climate.

However, it is our intention to reduce the impact on the environment as far as possible, partly supported by having focus on alternative and energy-friendly initiatives, increase employee awareness and skills, and to use video and Skype meetings instead of air travel, where possible.

Employees and Human Rights

We aim at creating the best possible working environment for our employees, e.g. by increasing the employees' influence through a programme for annual performance reviews and employee satisfaction surveys. Furthermore, we have established a cooperation committee and a security committee that handles APVs (workplace assessment), including assessment of the indoor climate, ergonomics and psychic working environment and other general activities which affect the working environment in FDC. We have a number of health-related offers to our employees, e.g. health insurance.
We meet the applicable legislation for the countries and local communities in which we operate.

We focus continuously on sick leave, and there is always a dialogue between the manager and the employee regarding long-term absence, just as we discuss sick leave in the annual employee interviews.

In accordance with previous years, the sick leave rate continued to be low. No work accidents were reported in 2015.

Account of the gender composition of management

FDC has continued focus on society's requirements for diversity, including securing equal rights for men and women's career development.

New board members have not been elected in 2015. Consequently, similar to last year there is no female representation in the board of externally elected board members. The objective for female representation in FDC's board of directors is at least one female member within 4 years (in 2020).

The female representation in the central management group is 40%. We wish to maintain the current level for female management in FDC.

Post balance sheet events

No events have occured after the balance sheet date that materially affect the financial year.

Outlook

In 2016, FDC expects to maintain its clients and revenue at the same level as in 2015.

We expect a minor profit in the range of DKK 5,000 thousand before tax for 2016 due to costs related to the reorganization and the implementation of the new strategic direction. The full effect of the new direction will appear in 2017 and forward.

The current number of orders placed will give FDC the budgeted revenue for 2016.

We expect the cash flow effect from operations in 2016 to be positive because of the expected profit growth and release from a larger project delivery.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
3	**Revenue**	315,712	352,989
	Cost of sales	-52,451	-60,671
4	Other operating income	0	15
	Other external expenses	-50,544	-49,282
	Gross profit	212,717	243,051
5	Staff costs	-220,788	-239,162
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-9,895	-9,034
	Other operating expenses	0	-56
	Operating profit/loss	-17,966	-5,201
	Income from investments in group entities	-2,412	-6,168
6	Financial income	1,344	422
7	Financial expenses	-2,805	-1,986
	Profit/loss before tax	-21,839	-12,933
8	Tax for the year	4,059	2,816
	Profit/loss for the year	-17,780	-10,117

	2015	2014
Proposed profit appropriation/distribution of loss		
Retained earnings/accumulated loss	-17,780	-10,117
	-17,780	-10,117

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
9	**Intangible assets**		
	Development projects	17,400	23,831
		17,400	23,831
10	**Property, plant and equipment**		
	Plant and machinery	1,592	2,647
	Other fixtures and fittings, tools and equipment	146	253
		1,738	2,900
11	**Investments**		
	Investments in group entities, net asset value	0	2,864
	Other securities and investments	64	70
	Other receivables	1,945	0
		2,009	2,934
	Total non-current assets	21,147	29,665
	Current assets		
	Receivables		
	Trade receivables	18,703	33,998
12	Work in progress for third parties	0	43,712
	Receivables from associates	16,401	24,081
15	Deferred tax assets	3,500	0
	Income taxes receivable	603	590
	Other receivables	5,012	608
13	Prepayments	17,833	22,966
		62,052	125,955
17	**Cash**	57,113	36,613
	Total current assets	119,165	162,568
	TOTAL ASSETS	140,312	192,233

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
14	Share capital	3,000	3,000
	Retained earnings	41,416	59,196
	Total equity	44,416	62,196
	Provisions		
15	Deferred tax	0	558
	Other provisions	9,110	4,572
	Total provisions	9,110	5,130
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	0	34,982
	Other credit institutions	0	1,674
12	Work in progress for third parties	10,536	0
	Trade payables	29,388	30,436
	Payables to group entities	0	157
16	Other payables	46,862	57,658
		86,786	124,907
	Total liabilities other than provisions	86,786	124,907
	TOTAL EQUITY AND LIABILITIES	140,312	192,233

1 Accounting policies
2 Recognition and measurement uncertainties
17 Contractual obligations and contingencies, etc.
18 Related parties
19 Fee to the auditors appointed by the Company in general meeting

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	3,000	59,196	62,196
Profit/loss for the year	0	-17,780	-17,780
Equity at 31 December 2015	3,000	41,416	44,416

Financial statements for the period 1 January - 31 December

Cash flow statement

Notes	DKK'000	2015	2014
	Profit/loss for the year	-17,780	-10,117
20	Adjustments	14,233	14,894
	Cash generated from operations (operating activities)	-3,547	4,777
21	Changes in working capital	62,319	-9,773
	Cash generated from operations (operating activities)	58,772	-4,996
	Interest received, etc.	155	102
	Interest paid, etc.	-1,616	-1,666
	Income taxes paid	472	-678
	Cash flows from operating activities	57,783	-7,238
	Additions of intangible assets	-2,199	-7,386
	Additions of property, plant and equipment	-102	-484
	Cash flows from investing activities	-2,301	-7,870
	Net cash flow	55,482	-15,108
	Cash and cash equivalents at 1 January	1,631	16,739
22	**Cash and cash equivalents at 31 December**	57,113	1,631

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies**

The annual report of Forsikringens Datacenter A/S (FDC) for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards large reporting class C enterprises.

The accounting policies applied by the Company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

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

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

Income statement

Revenue

Income from the rendering of services, which comprises IT operation and development, is recognised as revenue when the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Development of systems which are delivered over several accounting periods is recognised at the sales value of the performed work (the production method). Recognition takes place when delivery of the agreed tasks takes place and when total income and costs on the agreement and the stage of completion at the balance sheet date can be reliably measured and when an outflow of economic benefits, including payments, is probable.

Time spent and costs incurred are recognised in cost of sales, other external costs or staff costs.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other operating income and operating expenses

Other operating income comprise items of a secondary nature relative to the entity's core activities, including gains on the sale of non-current assets.

Cost of sales

Production costs comprise costs for acquisition and rent of hardware and software as well as for raw materials and consumables, etc. Production costs include amortisation of development projects in progress that are connected to ongoing contracts with customers.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

Development costs comprise production costs, salaries and amortisation directly or indirectly attributable to the Company's development activities. Following the completion of the development work, development costs are amortised over the estimated useful life.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Completed development projects	5 years

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	5 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	5 years

Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The company's subsidiary was divested during the year. From the divestment date, the subsidiary has been excluded from the joint taxation arrangement.

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current corporation tax , joint taxation contributions for the year and changes in deferred tax for the year - including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Development projects are capitalised if they are clearly defined and identifiable and the following recognition criteria can be satisfied:

- The technical feasibility of completing the project can be demonstrated.

- Plans are to produce and market the product or to use the product or the process.

- Sufficient technical and financial resources to complete and use or sell the project are available.

- It is probable that the project will generate future economic benefits and that a potential, future market or possibility of internal use in the entity exists.

- The cost can be made up reliably.

Development costs not satisfying the above criteria are expensed in the income statement as incurred.

The cost of development projects is measured at direct costs incurred as well as a portion of costs indirectly attributable to the individual development projects.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Investments in group entities

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Newly acquired and sold investments are recognised in the financial statements from the time of acquisition or until the time of sale, respectively.

Other securities and investments

Other securities and investments are measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

Impairment of non-current assets

Every year, intangible assets and property, plant and equipment as well as investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Work in progress for third parties

Ongoing service supplies and work in progress for third parties are measured at the market value of the work performed less advances received. The market value is calculated on the basis of the percentage of completion at the balance sheet date and the total expected income from the relevant contract. The percentage of completion is made up based on costs incurred relative to the expected, total expenses on each individual work in progress.

Where the outcome of contract work in progress cannot be made up reliably, the market value is measured at the costs incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under 'Provisions' and is expensed in the income statement.

The value of each contract in progress less prepayments is classified as assets when the market value exceeds prepayments and as liabilities when prepayments exceeds the market value.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

Corporation tax

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

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured at the tax rate applicable at the expected time of realisation. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

As management company for all the entities in the joint taxation arrangement, the parent is liable for the subsisidaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term bank loans.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Segment information

Segment information is given for revenue broken down by geographical segment.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

2 Recognition and measurement uncertainties

Contract work in progress

Recognition and measurement of contract work in progress is based on a stage-assessment of individual projects and expectations concerning the future settlement of each contract. Estimates that are connected to future settlement of the remaining contract work depend on a number of factors as well as the fact that a project's assumptions may change as work progresses. Actual results may therefore differ from the expected results.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	2015	2014
3 Revenue		
Geographical segmentation of revenue:		
Denmark	209,446	239,085
Other Nordic countries	106,266	113,904
	315,712	352,989
4 Other operating income		
Profit from disposal of assets	0	15
	0	15
5 Staff costs		
Wages/salaries	191,930	208,065
Pensions	28,254	30,450
Other social security costs	604	647
	220,788	239,162
Average number of full-time employees	281	300

By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.

The Board of Directors does not receive remuneration.

DKK'000	2015	2014
6 Financial income		
Other interest income	155	102
Exchange gain	1,189	320
	1,344	422
7 Financial expenses		
Other interest expenses	883	1,039
Exchange losses	1,890	901
Other financial expenses	32	46
	2,805	1,986

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK'000	2015	2014
8	**Tax for the year**		
	Estimated tax charge for the year	0	1,379
	Deferred tax adjustments in the year	-4,059	-4,195
		-4,059	-2,816

9 **Intangible assets**

DKK'000	Development projects	Total
Cost at 1 January 2015	33,386	33,386
Additions in the year	2,199	2,199
Cost at 31 December 2015	35,585	35,585
Impairment losses and amortisation at 1 January 2015	9,555	9,555
Amortisation in the year	8,630	8,630
Impairment losses and amortisation at 31 December 2015	18,185	18,185
Carrying amount at 31 December 2015	17,400	17,400

10 **Property, plant and equipment**

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	21,631	2,507	24,138
Additions in the year	102	0	102
Cost at 31 December 2015	21,733	2,507	24,240
Impairment losses and depreciation at 1 January 2015	18,984	2,254	21,238
Depreciation in the year	1,157	107	1,264
Impairment losses and depreciation at 31 December 2015	20,141	2,361	22,502
Carrying amount at 31 December 2015	1,592	146	1,738

Financial statements for the period 1 January - 31 December

Notes to the financial statements

11 Investments

DKK'000	Investments in group entities, net asset value	Other securities and investments	Other receivables	I alt
Cost at 1 January 2015	9,234	71	0	9,305
Additions in the year	0	0	1,945	1,945
Disposals in the year	-9,234	0	0	-9,234
Cost at 31 December 2015	0	71	1,945	2,016
Value adjustments at 1 January 2015	-6,370	-1	0	-6,371
Exchange adjustment	0	-6	0	-6
Share of the profit/loss for the year	-670	0	0	-670
Impairment losses	-3,000	0	0	-3,000
Reversal of prior year impairment losses	10,040	0	0	10,040
Value adjustments at 31 December 2015	0	-7	0	-7
Carrying amount at 31 December 2015	0	64	1,945	2,009

DKK'000	2015	2014
12 Work in progress for third parties		
Selling price of work performed	113,050	86,369
Progress billings	-123,586	-42,657
	-10,536	43,712

13 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including licenses & other services, DKK 17,833 thousand.

DKK'000	2015	2014
14 Share capital		
The share capital consists of the following:		
3,000,000 shares of DKK 1.00 each	3,000	3,000
	3,000	3,000

No shares carry special rights.

The Company's share capital has remained DKK 3,000 thousand over the past 5 years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

15 **Deferred tax**

Deferred tax relates to:

DKK'000	2015	2014
Intangible assets	-2,466	-3,236
Property, plant and equipment	301	268
Liabilities	2,998	2,410
Tax loss	2,667	0
	3,500	-558

16 **Other payables**

VAT and other indirect taxes	2,587	2,392
Wages/salaries, salary taxes, social security contributions, etc.	5,763	8,351
Compensated absence	29,947	34,934
Other accrued expenses	8,565	11,981
	46,862	57,658

17 **Contractual obligations and contingencies, etc.**

Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	25,670	38,336

Rent and lease liabilities include a rent obligation totalling DKK 8,725 thousand in interminable rent agreements with remaining contract terms of 0-1 years. Furthermore, the Company has contractual obligations relating to licenses and maintenance of systems, totalling DKK 16,945 thousand, with remaining contract terms of 2 years.

Of the Company's cash in bank and in hand, DKK 36,470 thousand, is bound on an escrow account.

The Company was jointly taxed with a Danish subsidiary until divestment in mid 2015. The Company is jointly and severally liable with this entity for payment of income taxes until the divestment.

18 **Related parties**

Forsikringens Datacenter A/S (FDC)' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Nykredit Forsikring A/S	Copenhagen	Ownership of over 5% of share capital
Fortsættelsessygekassen Denmark G/S	Copenhagen	Ownership of over 5% of share capital
Bupa Denmark Services A/S	Copenhagen	Ownership of over 5% of share capital

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK'000	2015	2014
19	**Fee to the auditors appointed by the Company in general meeting**		
	Fee regarding statutory audit	290	405
	Assurance engagements	580	640
	Tax assistance	7	27
	Other assistance	226	335
		1,103	1,407

		2015	2014
20	**Adjustments**		
	Amortisation/depreciation and impairment losses	9,895	9,034
	Gain/loss on the sale of non-currentassets	0	15
	Provisions	3,344	5,091
	Financial income	-155	-102
	Financial expenses	1,616	1,666
	Tax for the year	-4,059	-2,816
	Other adjustments	3,592	2,006
		14,233	14,894

		2015	2014
21	**Changes in working capital**		
	Change in receivables	65,458	-27,956
	Change in prepayments and trade and other payables	-3,139	18,183
		62,319	-9,773

		2015	2014
22	**Cash and cash equivalents at year end**		
	Cash and cash equivalents according to the balance sheet	57,113	36,613
	Short-term debt to banks	0	-34,982
		57,113	1,631