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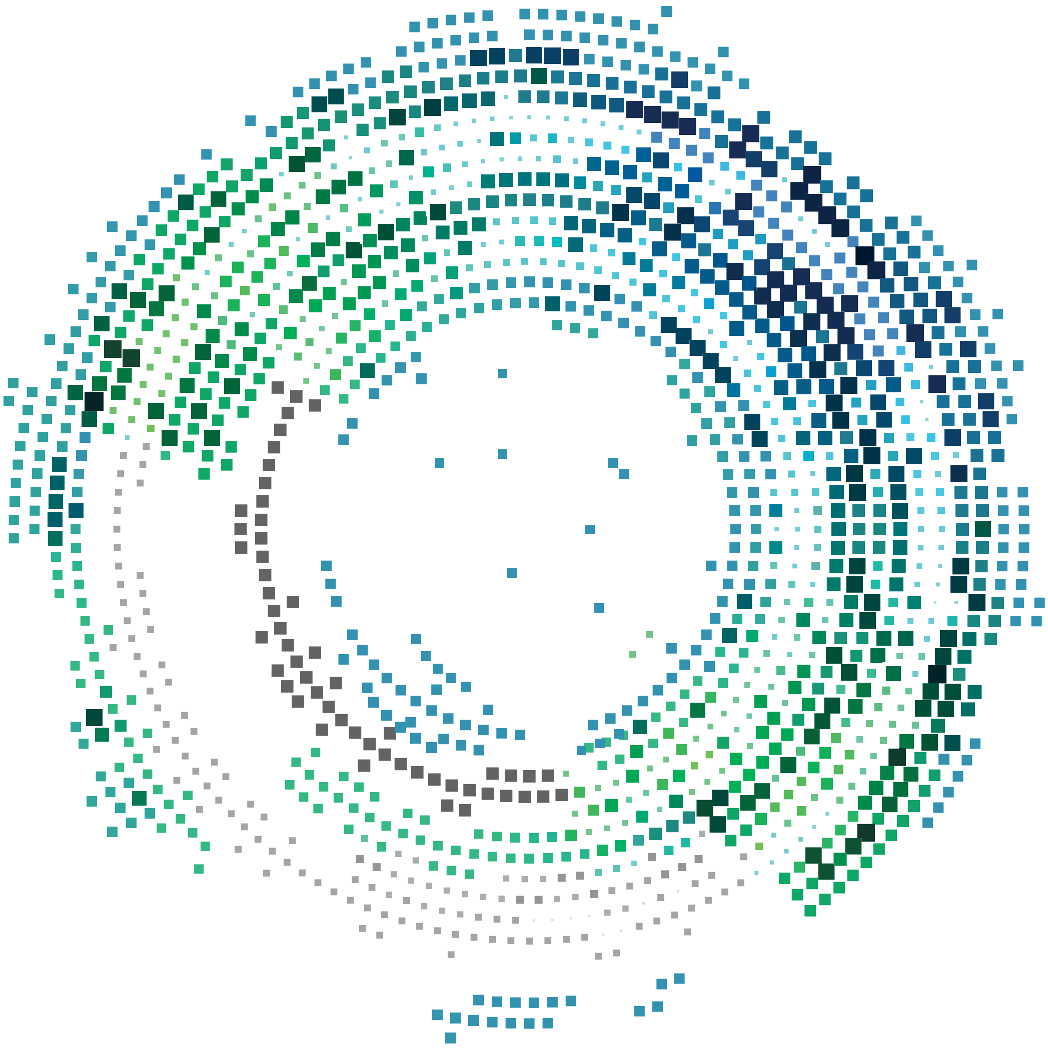

Container Centralen A/S

Sanderumvej 16
5250 Odense SV
CVR No. 13909709

Annual report 2020

The Annual General Meeting adopted the annual report on 29.04.2021

Krishan Dahoe
Chairman of the General Meeting

Contents

Entity details

Entity

Container Centralen A/S

Sanderumvej 16

5250 Odense SV

Business Registration No.: 13909709

Date of foundation: 14.12.1989

Registered office: Odense

Financial year: 01.01.2020 - 31.12.2020

Phone number: +4563142190

Fax: +4563142198

URL: www.container-centralen.com

Board of Directors

Herman de Boon, Chairman

Nicolaas Alfons van der Plas

Matthijs Mesken

Executive Board

Roel de Jong, CEO

Krishan Dahoe, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Container Centralen A/S for the financial year 01.01.2020 - 31.12.2020

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 29.04.2021

Executive Board

Roel de Jong
CEO

Krishan Dahoe
CFO

Board of Directors

Herman de Boon
Chairman

Nicolaas Alfons van der Plas

Matthijs Mesken

Independent auditor's report

To the shareholders of Container Centralen A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Container Centralen A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor’s report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, 29.04.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Peter Mølkjær
State Authorised Public Accountant
Identification No (MNE) mne24821

Gert Rasmussen
State Authorised Public Accountant
Identification No (MNE) mne35430

Management commentary

Financial highlights

	2020 EUR'000	2019 EUR'000	2018 EUR'000	2017 EUR'000	2016 EUR'000
Key figures					
Revenue	57,943	89,756	84,949	79,872	79,207
Gross profit/loss	21,699	36,958	31,629	30,809	29,925
Operating profit/loss	5,544	11,150	10,040	6,257	4,629
Net financials	592	(866)	(1,535)	(1,619)	(1,306)
Profit/loss for the year	8,636	7,849	6,506	4,333	2,484
Balance sheet total	148,666	134,616	123,979	108,432	112,769
Investments in property, plant and equipment	10,912	22,520	19,302	11,089	8,459
Equity	61,226	56,180	47,667	42,363	40,844
Cash flows from operating activities	26,183	23,518	11,702	11,784	14,678
Cash flows from investing activities	(23,750)	(21,686)	(17,442)	(8,321)	(8,839)
Ratios					
Gross margin (%)	37.45	41.18	37.23	38.57	37.78
Net margin (%)	14.90	8.74	7.66	5.42	3.14
Return on equity (%)	14.71	15.12	14.45	10.41	6.2
Equity ratio (%)	41.18	41.73	38.45	39.07	36.22

A part of the group is considered as discontinued operations. The comparative figures in the financial highlights are not restated.

Financial highlights are defined and calculated in accordance with below definitions:

Gross margin (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities

The Company’s activities consist of purchase, sales and rental of returnable equipment and packaging, for example CC Containers (flower trolleys) in an international pool system, which also includes maintenance and administration of the products. The Company also conducts Pool Management including “optimization of logistical flows and balance clearing" between parties in the supply chain, where other products than the Company’s own are utilized.

Description of material changes in activities and finances

In 2020 shareholders decided to discontinue operations in the USA and some activities in Europe. These are referred to as discontinued activities (See note 8.) Due to discontinued activities the figures of 2020 and 2019 are not comparable as the 2019 figures are not restated.

Management does project major changes in 2021 related to transactions between shareholders of CC A/S.

Development in activities and finances

Result for the year after tax is a profit of EUR 8,636k. This is higher compared to previous years result after tax of EUR 7,849k. The company has made significant investments in enlarging its asset base to be able to fulfill increased customer utilization of our products. These investments will allow sustainable growth going forward. We have seen in Europe strong growth in sales and coupled with tight cost control earning have increased in 2020.

We have developed various scanning applications supporting our European depots to run their processes more efficiently. Next to that we have launched in 2021 an app enabling the users of the CC pool system to scan RFID tags.

The company continued the usage of the in 2011 implemented RFID identification system to prevent copy containers entering the system and by doing so keep the system fair and affordable. The system is the world’s largest RFID system in an open logistic supply chain. During 2020 the company decided to segregate its horticultural and FMCG (fast moving consumer goods) activities in Europe into two separate companies. In the second half of 2020 this process was finalized. In this process we have introduced in the FMCG company a new financial system.

The majority of our 18,000 customers where in some way affected by the impact of governmental measures to fight the Covid-19 virus. CC was lightly impacted by this as some of our projected orders were either cancelled or postponed in the first quarter. Fortunately demand from shoppers did not slow down after May but continued to be strong. This in conjunction with higher price-levels than normally led to a lower than anticipated financial impact of Covid-19 at our customers.

CC is co-owner together with its customers and caretaker of the CC system. Therefore, it has an initiating role in improving the quality of the pool of products. After having implemented a couple of years ago a quota system on repair of CC shelves, management has started to investigate new product concepts to either improve the current shelf or implement a total new interchangeable product. In 2021 consultations with customers will be taken place.

Shared service support functions are being executed from the sales office in The Netherlands, where all the European customers are supported in 9 languages.

Profit/loss for the year in relation to expected developments

The Company delivered a result significantly higher than the budget 2020. This was due to revenue growth and overall lower cost, while COVID did not have a major negative impact on the business.

The company's future looks bright and with the right resources and tools there is strong believe that CC will continue to be a value adding partner for its customers.

Unusual circumstances affecting recognition and measurement

Market conditions in the horticultural sector have shown low figure growth percentages over the last 10 years. It is expected that this trend will continue. Economic impact of Covid-19 is substantial in many parts of our economies and financial institutions provide grim outlook for 2021. It will be depending on local governmental measures if and if so to what extent Covid-19 will negatively influence 2021 for our customers and CC. Consolidation in this industry is ongoing and expected to accelerate. The company is seeing a clear trend that more business is going direct, meaning the auction is bypassed increasingly and some business is moving to online platforms. CC will seek for opportunities to connect to some of these platforms. Market outlook in our pool management activities is strong as more and more companies are outsourcing their management of returnable transport items. CC has been successful in getting major retailers on board executing parts of their RTI flows.

Outlook

Our budgets for our operating companies show stable results comparable to 2020. The budgeted revenue is projected to be more or less in line with previous year. Investments and capital needs are basically going to be financed partly out of the operations and from bank loans. The Company expects to have sufficient liquidity available for 2021.

Use of financial instruments

Liquidity risks: CC A/S is in a loan position. Working capital is provided through its financing partners. The company provides an annual budget as well as a monthly report to its financing partners. The liquidity risks are managed by monitoring the company's cash position and having an agreement with the bank that provides sufficient loan capacity headroom to ensure the availability of sufficient cash flows to meet all financial commitments.

Credit risk – To mitigate credit risks, CC only transacts with financially sound customers. Every new customer has a standard credit limit. When the credit limit for a new customer goes above the standard a credit rating assessment is executed using, internal and external information. In addition, CC has established prudent exposure limits for its existing customers and is using an external party to help collecting outstanding cash.

Interest: CC monitors and manages interest rate risks by having agreed interest rates with its financing partners.

Currency risk: The currency risk is on the USD. The USD currency risk was hedged. Due to discontinued operations going forward the risk on USD vs DKK vs. EUR is going to be limited. Furthermore, the company has risk on GBP which is uncertain due to Brexit. For now, the company does not see a reason to hedge the GBP due to its limited exposure.

Operational risk: CC mitigates operational risks by maintaining a system of internal controls, monitoring procedures, and processes that are designed to keep operating risks within acceptable levels.

Statutory report on corporate social responsibility

Business model

We operate in markets across Europe, providing containers and pool management, products and services. Our products can be rented for long- or short-term hire. Our most important products are; CC containers, rolly's, dolly's, Euro containers and crates. Most of our Reusable Transport Items (RTIs) can be nested, which increases the number of empty items you can fit into a vehicle. This creates return transport efficiencies. One good example is our virtual transfer by which our client may deliver containers at a depot in one part of Europe and have the corresponding quantity of containers delivered at a depot in another part of Europe. We thus avoid unnecessary transportation of empty units while optimising the economy of transportation and minimising $CO2$ emissions. Our goal is to continuously improve supply chains by moving products more efficiently. We do this by integrating RTIs into supply chains and managing their rotation throughout a multi-client pool. In doing this we consider the interests of retailers, consumers and suppliers. We have 230 employees across locations in 10 different countries including the United States.

Our risk landscape

We operate in Europe and United States. For both US and Europe, we face a high level of regulations in relation to environment and employee relations. We are highly aware of complying with all relevant regulatory requirements across the EU market, including regarding environment and climate protection, labour rights and financial legislation.

We do not assess that we operate in areas and locations, where there are major risks related to human rights, labour rights, the environment and anti-corruption and we have not encountered any incidents of this nature. The main parts of our products are produced in Europe. To our knowledge our suppliers adhere to rules and regulations.

Policies, activities and results

The company is fully aware of UN's 'Global Compact' and we strive to work in correspondence with the principles stated herein with a focus on respecting human rights, labor rights, the environment and working against corruption in all its forms. CC has selected three goals; 9,10 and 12 on which it will further discuss and implement individual, formalised policies. in accordance with the Danish Financial Statements Act § 99a. The company has assessed that there are no significant risks within the company's business operations and supply chain.
The company operates mainly in Europe and US were there are strong regulations in place from national or supra national legislative bodies. Due to this the company does not feel the need to implement additional specific policies.

As a responsible company, we continuously reassess our approach and, in that way, find new ways to improve in relation to CSR. In CC we welcome this challenge as part of our overall aim of growing responsibly. Integrating CSR into our operations helps us to create transparency and clarity throughout the organization and to our stakeholders. Thus, we want CSR to become a natural part of our daily operations and code of conduct, and not just an 'add-on activity'. At CC we are committed to implementing responsible business practices, and by doing so we are able to reduce costs, manage risks, minimize our impact on the environment, attract and retain employees, and strengthen our brand and business overall.

Statutory report on the underrepresented gender

The board of directors has implemented a policy including targets for any gender which may underrepresented on management level within Container Centralen A/S.

The policy stipulates that in the event that candidates with sufficient industry knowledge can be found, the share of the under-represented gender (currently women) in the board of directors should increase from the current 0% to minimum 25% before 2024.

The target was not met in 2020, since the best qualified candidates for the Board were men, but more so due to the fact there was no vacancy for a board position. The company is struggling to achieve the minimum as in this sector women are very scarcely acting on senior management level. Nevertheless, the company will continue to strive for women in management positions.

Since the company has less than 50 employees in Container Centralen A/S, we have not established a specific policy for the underrepresented gender in the other management levels.

Consolidated income statement for 2020

	Notes	2020 EUR'000	2019 EUR'000
Revenue	2	57,943	89,756
Cost of sales		(30,453)	(43,940)
Other external expenses	3	(5,791)	(8,858)
Gross profit/loss		**21,699**	**36,958**
Staff costs	4	(8,228)	(13,425)
Depreciation, amortisation and impairment losses	5	(7,927)	(12,383)
Operating profit/loss		**5,544**	**11,150**
Other financial income		1,460	137
Other financial expenses	6	(868)	(1,003)
Profit/loss before tax		**6,136**	**10,284**
Tax on profit/loss for the year	7	(1,584)	(2,435)
Profit/loss from continuing operations		**4,552**	**7,849**
Profit/loss from discontinued operations	8	**4,084**	**0**
Profit/loss for the year	9	**8,636**	**7,849**

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 EUR'000	2019 EUR'000
Completed development projects	11	2,532	4,052
Acquired licences		4	21
Development projects in progress	11	0	195
Intangible assets	10	**2,536**	**4,268**
Plant and machinery		53,354	96,575
Other fixtures and fittings, tools and equipment		3,383	6,578
Property, plant and equipment	12	**56,737**	**103,153**
Other investments		175	175
Financial assets	13	**175**	**175**
Fixed assets		**59,448**	**107,596**

Manufactured goods and goods for resale		2,079	2,051
Inventories		**2,079**	**2,051**
Trade receivables	14	18,169	15,937
Other receivables		772	766
Tax receivable		0	203
Prepayments	15	415	3,803
Receivables		**19,356**	**20,709**
Cash		**3,190**	**4,260**
Current assets		**24,625**	**27,020**
Assets regarding discontinued operations	8	**64,593**	**0**
Assets		**148,666**	**134,616**

Equity and liabilities

	Notes	2020 EUR'000	2019 EUR'000
Contributed capital	16	9,383	9,383
Translation reserve		(546)	0
Retained earnings		52,389	46,797
Equity		**61,226**	**56,180**
Deferred tax	17	7,700	15,798
Other provisions	18	88	184
Provisions		**7,788**	**15,982**
Deferred income		3,915	6,027
Non-current liabilities other than provisions	20	**3,915**	**6,027**
Current portion of non-current liabilities other than provisions	20	9,359	12,330
Bank loans		22,143	23,939
Prepayments received from customers	21	38	2,025
Trade payables		13,293	12,400
Tax payable		209	222
Other payables		10,341	5,511
Current liabilities other than provisions		**55,383**	**56,427**
Liabilities other than provisions		**59,298**	**62,454**
Liabilities regarding discontinued operations	8	**20,354**	**0**
Equity and liabilities		**148,666**	**134,616**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	23		
Contingent liabilities	24		
Assets charged and collateral	25		
Transactions with related parties	26		
Subsidiaries	27		

Consolidated statement of changes in equity for 2020

	Contributed capital EUR'000	Translation reserve EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	9,383	0	46,797	56,180
Exchange rate adjustments	0	(4,318)	0	(4,318)
Other entries on equity	0	3,044	(3,044)	0
Tax of entries on equity	0	728	0	728
Profit/loss for the year	0	0	8,636	8,636
Equity end of year	**9,383**	**(546)**	**52,389**	**61,226**

Consolidated cash flow statement for 2020

	Notes	2020 EUR'000	2019 EUR'000
Operating profit/loss		5,544	11,150
Amortisation, depreciation and impairment losses		12,942	12,383
Other provisions		290	71
Working capital changes	22	2,264	1,291
Operating profit/ loss (discontinued operations)		6,906	0
Cash flow from ordinary operating activities		**27,946**	**24,895**
Financial income received		92	137
Financial expenses paid		(868)	(1,003)
Taxes refunded/(paid)		(987)	(511)
Cash flows from operating activities		**26,183**	**23,518**
Acquisition etc. of intangible assets		(1,411)	(2,289)
Acquisition etc. of property, plant and equipment		(22,339)	(22,520)
Sale of property, plant and equipment		0	3,123
Cash flows from investing activities		**(23,750)**	**(21,686)**
Free cash flows generated from operations and investments before financing		**2,433**	**1,832**
Increase/decrease in cash and cash equivalents		**2,433**	**1,832**
Cash and cash equivalents beginning of year		(19,679)	(21,399)
Currency translation adjustments of cash and cash equivalents		(753)	(112)
Cash and cash equivalents regarding discontinued operations		(954)	0
Cash and cash equivalents end of year		**(18,953)**	**(19,679)**
Cash and cash equivalents at year-end are composed of:			
Cash		3,190	4,260
Short-term bank loans		(22,143)	(23,939)
Cash and cash equivalents end of year		**(18,953)**	**(19,679)**

Notes to consolidated financial statements

1 Events after the balance sheet date

In January 2021 discontinued operations related to Retail activity and subsidiary in USA are final disposed from the group. In the same moment Container Centralen A/S acquired CC Investment A/S and the ultimate 100% owner of the group is now Vereniging van Groothandelaren in Bloemkwekerijprodukten.
The transactions have a total net effect on the equity approximately EUR (47)m.

Other than the above no events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

2 Revenue

The main activity of the Group is to hire out containers in Europe. The activities on each market including the competitive situation and risk profile are regarded as very homogeneous except for the differences in language, etc. In the light of this the Group is not seen as having different segment activities.

3 Fees to the auditor appointed by the Annual General Meeting

	2020 EUR'000	**2019 EUR'000**
Statutory audit services	60	66
Other assurance engagements	7	0
Tax services	28	9
Other services	125	20
	220	**95**

4 Staff costs

	2020 EUR'000	**2019 EUR'000**
Wages and salaries	6,439	10,524
Pension costs	649	835
Other social security costs	884	1,028
Other staff costs	256	1,038
	8,228	**13,425**
Average number of full-time employees	**78**	139

	Remuneration of management 2020 EUR'000	Remuneration of management 2019 EUR'000
Executive Board	703	678
Committee of Representatives	110	110
	813	**788**

5 Depreciation, amortisation and impairment losses

	2020 EUR'000	2019 EUR'000
Amortisation of intangible assets	1,203	1,652
Depreciation on property, plant and equipment	5,916	8,890
Impairment losses on property, plant and equipment	808	(1,156)
Profit/loss from sale of intangible assets and property, plant and equipment	0	2,997
	7,927	**12,383**

6 Other financial expenses

	2020 EUR'000	2019 EUR'000
Other interest expenses	722	746
Exchange rate adjustments	79	187
Other financial expenses	67	70
	868	**1,003**

7 Tax on profit/loss for the year

	2020 EUR'000	2019 EUR'000
Current tax	6,862	586
Change in deferred tax	(5,865)	1,849
Adjustment concerning previous years	587	0
	1,584	**2,435**

8 Discontinued operations

	2020 EUR'000
Revenue	39,807
Cost of sales	(19,409)
Other external expenses	(3,047)
Staff costs	(5,430)
Depreciation, amortisation and impairment losses	(5,015)
Other financial expenses	(1,368)
Pre-tax profit/loss from discontinued operations	**5,538**
Tax on profit/loss from discontinued operations	(1,454)
Post-tax profit/loss from discontinued operations	**4,084**
Intangible assets	990
Property, plant and equipment	54,768
Inventory	1,512
Receivables	6,369
Cash	954
Assets related to discontinued operations	**64,593**
Provisions	9,594
Non-current liabilities other than provisions	3,561
Current liabilities other than provisions	7,199
Liabilities related to discontinued operations	**20,354**
Cash flows from operating activities	14,869
Cash flows from investing activities	(14,448)
Cash flows related to discontinued operations	**421**

9 Proposed distribution of profit/loss

	2020 EUR'000	2019 EUR'000
Retained earnings	8,636	7,849
	8,636	**7,849**

10 Intangible assets

	Completed development projects EUR'000	Acquired licences EUR'000	Development projects in progress EUR'000
Cost beginning of year	31,282	138	195
Disposals on divestments etc.	(3,506)	0	0
Exchange rate adjustments	0	1	0
Transfers	195	0	(195)
Additions	544	0	0
Disposals	(74)	0	0
Cost end of year	**28,441**	**139**	**0**
Amortisation and impairment losses beginning of year	(27,230)	(117)	0
Exchange rate adjustments	(96)	0	0
Amortisation for the year	(1,185)	(18)	0
Reversal regarding disposals	2,602	0	0
Amortisation and impairment losses end of year	**(25,909)**	**(135)**	**0**
Carrying amount end of year	**2,532**	**4**	**0**

11 Development projects

CC Solid and CC Air are the 2 development projects which are part of the beginning balance. Both projects intend to improve the quality, extend the lifespan and or reduce the repair & maintenance cost for CC and our customers.

During 2020, CC mainly invested in the operational and financial systems.

Completed development consist of software supporting the business which is completed and in use. Additions mainly comprise of investments in Financial system, Scanner software and extra Loglink & RFID functionality.

12 Property, plant and equipment

	Plant and machinery EUR'000	Other fixtures and fittings, tools and equipment EUR'000
Cost beginning of year	225,982	28,392
Disposals on divestments etc.	(85,557)	(13,763)
Exchange rate adjustments	704	56
Additions	10,779	133
Disposals	(5,747)	0
Cost end of year	**146,161**	**14,818**
Depreciation and impairment losses beginning of year	(129,407)	(21,814)
Exchange rate adjustments	(473)	(41)
Impairment losses for the year	(808)	0
Depreciation for the year	(4,850)	(1,066)
Reversal regarding disposals	42,731	11,486
Depreciation and impairment losses end of year	**(92,807)**	**(11,435)**
Carrying amount end of year	**53,354**	**3,383**

13 Financial assets

	Other investments EUR'000
Cost beginning of year	175
Cost end of year	**175**
Carrying amount end of year	**175**

14 Trade receivables

Receivables include receivables that are due only after one year with EUR 461k.

15 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions etc.

16 Contributed capital

	Number	Par value EUR'000	Nominal value EUR'000
Share certificates of DKK 10,000	10	1	13
Share certificates of DKK 25,000	8	3	27
Share certificates of DKK 100,000	12	13	161
Share certificates of DKK 500,000	1	67	67
Share certificates of DKK 1,000,000	23	134	3,083
Share certificates of DKK 5,000,000	1	670	670
Share certificates of DKK 10,000,000	4	1340	5,362
	59		**9,383**

17 Deferred tax

	2020 EUR'000	2019 EUR'000
Intangible assets	557	700
Property, plant and equipment	7,445	22,534
Receivables	(9)	(128)
Provisions	(293)	(880)
Liabilities other than provisions	0	(466)
Tax losses carried forward	0	(5,962)
Deferred tax	**7,700**	**15,798**

Changes during the year	2020 EUR'000	2019 EUR'000
Beginning of year	15,798	13,886
Recognised in the income statement	(5,865)	1,849
Recognised directly in equity	0	63
Other changes	1	0
Discontinued operations	(2,234)	0
End of year	**7,700**	**15,798**

18 Other provisions

Other provisions may be attributed to certain significant customers where there is a risk of loss of containers.

19 Deferred income

The prepaid hire concerns the containers mentioned under property, plant and equipment.

20 Non-current liabilities other than provisions

	Due within 12 months 2020 EUR'000	Due within 12 months 2019 EUR'000	Due after more than 12 months 2020 EUR'000
Deferred income	9,359	12,330	3,915
	9,359	**12,330**	**3,915**

The prepaid hire concerns the containers mentioned under property, plant and equipment.

Liabilities other than provisions consists of the following categories:
Prepaid rent for containers 4,727k EUR (2019: 8,878k EUR)
Replacement sales 2,148k EUR (2019: 2,263k EUR)
Accrued repair and maintenance fee 6,399k EUR (2019: 7,216k EUR)

21 Prepayments received from customers

Received prepayments from customers can primarily be attributed to deposits.

22 Changes in working capital

	2020 EUR'000	2019 EUR'000
Increase/decrease in inventories	(1,540)	2,393
Increase/decrease in receivables	(3,263)	(5,553)
Increase/decrease in trade payables etc.	7,067	4,451
	2,264	**1,291**

23 Unrecognised rental and lease commitments

	2020 EUR'000	2019 EUR'000
Total liabilities under rental or lease agreements until maturity	**1,763**	5,886

24 Contingent liabilities

Container Centralen Benelux B.V. has provided security and EUR 221k for the tenacy on a tied account.

25 Assets charged and collateral

Bank loans are secured by way of a floating charge of nominal 250 m. (approx. EUR 33m) on goodwill, operating equipment, inventories and trade receivables.

The carrying amount of mortgaged other fixtures and fillings, tools and equipment 2,831k EUR.

The carrying amount of mortgaged plant and machinery 53.432k EUR.

The carrying amount of mortgaged inventories/containers for rent 2,080k EUR.

The carrying amount of mortgaged trade receivables 9,292k EUR

26 Transactions with related parties

Transactions with related parties are not disclosed with reference to the Danish Financial Statements Act § 98c paragraph. 3 and 7.

27 Subsidiaries

	Registered in	Ownership %
Container Centralen GmbH	Germany	100
Container Centralen Iberica S.L.U.	Spain	100
Container Centralen France Sarl	France	100
Container Centralen Limited	United Kingdom	100
Container Centralen Polska Sp. zo.o.	Poland	100
Container Centralen Benelux B.V.	The Netherlands	100
Container Centralen Italia S.r.l.)	Italy	100
Container Centralen Inc. 1)	USA	100
Container Centralen Delivery Services, Inc 1)	USA	100
CC European Retail A/S 1)	Denmark	100
Pool Service B.V. 1)	The Netherlands	100
1) Entities disposed January 2021	1)	

Parent income statement for 2020

	Notes	2020 EUR'000	2019 EUR'000
Revenue	2	42,854	62,663
Cost of sales		(25,654)	(41,697)
Other external expenses		(3,835)	(4,520)
Gross profit/loss		**13,365**	**16,446**
Staff costs	3	(1,281)	(1,339)
Depreciation, amortisation and impairment losses	4	(7,804)	(8,799)
Operating profit/loss		**4,280**	**6,308**
Income from investments in group enterprises		5,240	2,525
Other financial income	5	1,348	1,800
Other financial expenses	6	(1,018)	(1,280)
Profit/loss before tax		**9,850**	**9,353**
Tax on profit/loss for the year	7	(1,214)	(1,504)
Profit/loss for the year	8	**8,636**	**7,849**

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 EUR'000	2019 EUR'000
Completed development projects	10	2,532	2,967
Acquired licences		4	21
Development projects in progress	10	0	195
Intangible assets	9	**2,536**	**3,183**
Plant and machinery		53,354	59,774
Other fixtures and fittings, tools and equipment		2,831	3,679
Property, plant and equipment	11	**56,185**	**63,453**
Investments in group enterprises		17,581	13,836
Receivables from group enterprises		0	35,039
Other investments		175	175
Financial assets	12	**17,756**	**49,050**
Fixed assets		**76,477**	**115,686**
Manufactured goods and goods for resale		2,080	2,051
Inventories		**2,080**	**2,051**
Trade receivables		9,292	13,778
Receivables from group enterprises		43,467	182
Other receivables		530	593
Prepayments	13	315	3,035
Receivables		**53,604**	**17,588**
Cash		**398**	**1,218**
Current assets		**56,082**	**20,857**
Assets		**132,559**	**136,543**

Equity and liabilities

	Notes	2020 EUR'000	2019 EUR'000
Contributed capital		9,383	9,383
Translation reserve		(546)	0
Reserve for net revaluation according to the equity method		14,985	10,011
Reserve for development costs		1,975	2,454
Retained earnings		35,429	34,332
Equity		**61,226**	**56,180**
Deferred tax	14	7,700	13,564
Other provisions	15	88	184
Provisions		**7,788**	**13,748**
Deferred income	16	2,868	5,258
Non-current liabilities other than provisions	17	**2,868**	**5,258**
Current portion of non-current liabilities other than provisions	17	2,430	11,800
Bank loans		22,142	23,939
Prepayments received from customers	18	8	16
Trade payables		11,927	10,243
Payables to group enterprises		21,592	12,966
Tax payable		72	66
Other payables		2,506	2,327
Current liabilities other than provisions		**60,677**	**61,357**
Liabilities other than provisions		**63,545**	**66,615**
Equity and liabilities		**132,559**	**136,543**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Assets charged and collateral	21		
Transactions with related parties	22		

Parent statement of changes in equity for 2020

	Contributed capital EUR'000	Translation reserve EUR'000	Reserve for net revaluation according to the equity method EUR'000	Reserve for development costs EUR'000	Retained earnings EUR'000
Equity beginning of year	9,383	0	10,011	2,454	34,332
Exchange rate adjustments	0	(4,318)	0	0	0
Other entries on equity	0	3,044	0	0	(3,044)
Tax of entries on equity	0	728	0	0	0
Transfer to reserves	0	0	4,974	(479)	(4,495)
Profit/loss for the year	0	0	0	0	8,636
Equity end of year	**9,383**	**(546)**	**14,985**	**1,975**	**35,429**

	Total EUR'000
Equity beginning of year	56,180
Exchange rate adjustments	(4,318)
Other entries on equity	0
Tax of entries on equity	728
Transfer to reserves	0
Profit/loss for the year	8,636
Equity end of year	**61,226**

Notes to parent financial statements

1 Events after the balance sheet date

In January 2021 discontinued operations related to Retail activity and subsidiary in USA are final disposed from the group. In the same moment Container Centralen A/S acquired CC Investment A/S and the ultimate 100% owner of the group is now Vereniging van Groothandelaren in Bloemkwekerijprodukten.
The transactions have a total net effect on the equity approximately EUR (47)m.

Other than the above no events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

2 Revenue

The main activity of the Group is to hire out containers in Europe. The activities on each market including the competitive situation and risk profile are regarded as very homogeneous except for the differences in language, etc. In the light of this the Group is not seen as having different segment activities.

3 Staff costs

	2020 EUR'000	2019 EUR'000
Wages and salaries	1,135	1,183
Pension costs	139	121
Other staff costs	7	35
	1,281	**1,339**

Average number of full-time employees	**10**	10

	Remuneration of management 2020 EUR'000	Remuneration of management 2019 EUR'000
Executive Board	385	376
Committee of Representatives	83	83
	468	**459**

4 Depreciation, amortisation and impairment losses

	2020 EUR'000	2019 EUR'000
Amortisation of intangible assets	1,203	1,100
Depreciation on property, plant and equipment	5,793	6,084
Impairment losses on property, plant and equipment	808	(1,208)
Profit/loss from sale of intangible assets and property, plant and equipment	0	2,823
	7,804	**8,799**

5 Other financial income

	2020 EUR'000	2019 EUR'000
Financial income from group enterprises	1,345	1,734
Other interest income	3	0
Other financial income	0	66
	1,348	**1,800**

6 Other financial expenses

	2020 EUR'000	2019 EUR'000
Financial expenses from group enterprises	174	170
Other interest expenses	722	842
Exchange rate adjustments	83	199
Other financial expenses	39	69
	1,018	**1,280**

7 Tax on profit/loss for the year

	2020 EUR'000	2019 EUR'000
Current tax	6,492	113
Change in deferred tax	(5,865)	1,391
Adjustment concerning previous years	587	0
	1,214	**1,504**

8 Proposed distribution of profit and loss

	2020 EUR'000	2019 EUR'000
Retained earnings	8,636	7,849
	8,636	**7,849**

9 Intangible assets

	Completed development projects EUR'000	Acquired licences EUR'000	Development projects in progress EUR'000
Cost beginning of year	27,669	138	195
Exchange rate adjustments	107	1	0
Transfers	195	0	(195)
Additions	544	0	0
Disposals	(74)	0	0
Cost end of year	**28,441**	**139**	**0**
Amortisation and impairment losses beginning of year	(24,702)	(117)	0
Exchange rate adjustments	(96)	0	0
Amortisation for the year	(1,185)	(18)	0
Reversal regarding disposals	74	0	0
Amortisation and impairment losses end of year	**(25,909)**	**(135)**	**0**
Carrying amount end of year	**2,532**	**4**	**0**

10 Development projects

CC Solid and CC Air are the 2 development projects which are part of the beginning balance. Both pro-jects intend to improve the quality, extend the lifespan and or reduce the repair & maintenance cost for CC and our customers.

During 2020, CC mainly invested in the operational and financial systems.

Completed development consist of software supporting the business which is completed and in use. Additions mainly comprise of investments in Financial system, Scanner software and extra Loglink & RFID functionality.

11 Property, plant and equipment

	Plant and machinery EUR'000	Other fixtures and fittings, tools and equipment EUR'000
Cost beginning of year	172,455	13,589
Exchange rate adjustments	704	55
Additions	10,779	82
Disposals	(37,777)	0
Cost end of year	**146,161**	**13,726**
Depreciation and impairment losses beginning of year	(112,681)	(9,910)
Exchange rate adjustments	(473)	(42)
Impairment losses for the year	(808)	0
Depreciation for the year	(4,850)	(943)
Reversal regarding disposals	26,005	0
Depreciation and impairment losses end of year	**(92,807)**	**(10,895)**
Carrying amount end of year	**53,354**	**2,831**

12 Financial assets

	Investments in group enterprises EUR'000	Receivables from group enterprises EUR'000	Other investments EUR'000
Cost beginning of year	3,596	35,039	175
Exchange rate adjustments	145	(3,956)	0
Additions	54	8,409	0
Disposals	0	(39,492)	0
Cost end of year	**3,795**	**0**	**175**
Revaluations beginning of year	10,240	0	0
Exchange rate adjustments	(1,199)	0	0
Share of profit/loss for the year	5,240	0	0
Adjustment of intra-group profits	(204)	0	0
Dividend	(291)	0	0
Revaluations end of year	**13,786**	**0**	**0**
Carrying amount end of year	**17,581**	**0**	**175**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

13 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions etc.

14 Deferred tax

	2020 EUR'000	2019 EUR'000
Intangible assets	557	700
Property, plant and equipment	7,445	13,956
Receivables	(9)	(12)
Provisions	(293)	(881)
Tax losses carried forward	0	(199)
Deferred tax	**7,700**	**13,564**

Changes during the year	2020 EUR'000	2019 EUR'000
Beginning of year	13,564	12,176
Recognised in the income statement	(5,865)	1,391
Other changes	1	(3)
End of year	**7,700**	**13,564**

15 Other provisions

Other provisions may be attributed to certain significant customers where there is a risk of loss of containers.

16 Deferred income

The prepaid hire concerns the containers mentioned under property, plant and equipment.

17 Non-current liabilities other than provisions

	Due within 12 months 2020 EUR'000	Due within 12 months 2019 EUR'000	Due after more than 12 months 2020 EUR'000
Deferred income	2,430	11,800	2,868
	2,430	**11,800**	**2,868**

The prepaid hire concerns the containers mentioned under property, plant and equipment.

Liabilities other than provisions consists of the following categories:
Prepaid rent for containers 3,091k EUR (2019: 8,109k EUR)
Replacement sales 1,243k EUR (2019: 2,263k EUR)
Accrued repair and maintenance fee 964k EUR (2019: 6,686k EUR)

18 Prepayments received from customers

Received prepayments from customers can primarily be attributed to deposits.

19 Unrecognised rental and lease commitments

	2020 EUR'000	2019 EUR'000
Total liabilities under rental or lease agreements until maturity	**39**	127

20 Contingent liabilities

Container Centralen Limited, registered in the UK under company number 04344379, has taken the exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary undertakings. Container Centralen A/S has given a guarantee for all outstanding liabilities to which Container Centralen Limited is subject at 31 December 2020.

Container Centralen A/S has provided security for the liabilities of the subsidiaries in the Netherlands under art. 2:396. Paragraph 7 of the Netherlands Civil Code.

21 Assets charged and collateral

Bank loans are secured by way of a floating charge of nominal 250 m. (approx. EUR 33m) on goodwill, operating equipment, inventories and trade receivables.

The carrying amount of mortgaged other fixtures and fillings, tools and equipment 2,831k EUR.

The carrying amount of mortgaged plant and machinery 53.432k EUR.

The carrying amount of mortgaged inventories/containers for rent 2,080k EUR.

The carrying amount of mortgaged trade receivables 9,292k EUR

22 Transactions with related parties

Transactions with related parties are not disclosed with reference to the Danish Financial Statements Act § 98c paragraph. 3 and 7.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Transactions with related parties are not disclosed with reference to the Danish Financial Statements Act § 98c paragraph 3 and 7.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Discontinued operations

Discontinued operations are material business areas or geographical areas planned, or decided, to be disposed of, discontinued or abandoned and which may be separated from the Entity's other operations.

Results from discontinued operations are presented in the income statement as a separate item consisting of profit/loss after tax of the relevant operation and any gains or losses from fair value adjustments or sale of the assets and liabilities related to the operation.

Assets relating to the discontinued operations are presented separately in the balance sheet as assets related to discontinued operations. Liabilities related to the discontinued operations are presented separately in the balance sheet as liabilities related to discontinued operations.

The comparative figures in the income statement and the balance sheet are not restated.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates. The comparative figures might deviate slightly from last years annual report du to roundings.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

Income statement

Revenue

New rental is normally based on short term (from day hire to period) till long term (five-year) agreements, according to which the full rental amount is paid as a lump sum and taken to income, deferred over time depending on the contract type. Apart from that CC generates service income related to pool management.

Sale of containers on service agreements

The sales amount is taken to income at the closure of the contract.

Pool fee

Income from repair and maintenance agreements is stated on an accrual basis for each month, so that, based on the prudence concept, a provision is made to meet the expected direct repair and maintenance costs during the rest of the period which the invoiced fees concern.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses
Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Other external costs are recognised together with insurance costs, costs regarding development projects that do not comply with the criteria for recognition in the balance sheet and amortisation of development projects recognised.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as plant and equipment.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Development costs are measured at cost.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is usually tree to six years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

CC Containers, European pool	10 years
Other equipment	5-10 years
CC Containers, US pool	20 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to depreciation and impairment losses.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.
Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally ten years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Other investments
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.