



Tel.: +45 46 37 30 33  
roskilde@bdo.dk  
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab  
Ringstedvej 18  
DK-4000 Roskilde  
CVR no. 20 22 26 70

**ZEALAND CARE A/S**  
**GREVE MAIN 3, 2670 GREVE**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2020**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 8 May 2021**

---

**Dirigent Jacob Hansen**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 18 99 84 75**

**CONTENTS**

	<b>Page</b>
<b>Company Details</b>	
Company Details.....	3
<b>Statement and Report</b>	
Board of Directors Statement and Management's Statement.....	4
Independent Auditor's Report.....	5-6
<b>Management Commentary</b>	
Financial Highlights.....	7
Management Commentary.....	8
<b>Financial Statements 1 January - 31 December</b>	
Income Statement.....	9
Balance Sheet.....	10-11
Equity.....	12
Notes.....	13-16
Accounting Policies.....	17-19

**COMPANY DETAILS**

<b>Company</b>	ZEALAND CARE A/S Greve Main 3 2670 Greve  CVR No.: 18 99 84 75 Established: 22 November 1995 Registered Office: Holbæk Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Johan H. H. Heller, chairman Paul Van Den Wittenboer John Naborn
<b>Executive Board</b>	Jacob Hansen
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Ringstedvej 18 4000 Roskilde

**Translation Disclaimer  
Übersetzungsvorbehalt**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

*Der deutsche Teil dieses Textes ist eine inoffizielle übersetzung der dänischen Original-fassung. Im falle einer Abweichung zwischen dem dänischen Text und der deutschen Übersetzung, hat der dänische Text Gültigkeit .*

## BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

*Today the Board of Directors and Executive Board have discussed and approved the Annual Report of ZEALAND CARE A/S for the financial year 1 January - 31 December 2020.*

*The Annual Report is presented in accordance with the Danish Financial Statements Act.*

*In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.*

*The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.*

*We recommend the Annual Report be approved at the Annual General Meeting.*

Greve, 8 May 2021

Executive Board

---

Jacob Hansen

Board of Directors

---

Johan H. H. Heller  
Chairman

---

Paul Van Den Wittenboer

---

John Naborn

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholders of ZEALAND CARE A/S*

### **Opinion**

*We have audited the Financial Statements of ZEALAND CARE A/S for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.*

*In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.*

### **Management's Responsibilities for the Financial Statements**

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

*In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.*

### **Auditor's Responsibilities for the Audit of the Financial Statements**

*Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.*

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.*

## INDEPENDENT AUDITOR'S REPORT

- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.*
- *Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.*

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

### **Statement on Management's Review**

*Management is responsible for Management's Review.*

*Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.*

*In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.*

*Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.*

*Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.*

Roskilde, 8 May 2021

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Dan R. Petersen  
State Authorised Public Accountant  
MNE no. mne33210

## FINANCIAL HIGHLIGHTS

	2020	2019	2018	2017	2016
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Gross profit/loss.....	37,960	27,712	24,777	22,763	10,258
Operating profit/loss of main activities...	620	-8,836	-11,723	-8,652	-21,837
Financial income and expenses, net.....	-187	-216	-611	-946	-1,116
Profit/loss for the year.....	433	-9,052	-12,334	-9,598	-22,953
<b>Balance sheet</b>					
Total assets.....	74,884	59,202	55,608	51,136	48,409
Equity.....	23,464	9,031	8,483	3,818	4,416
Investment in property, plant and equipment.....	-7	-2	-2,858	-3,908	-2,554
<b>Average number of full-time employees.....</b>	<b>82</b>	<b>88</b>	<b>78</b>	<b>68</b>	<b>67</b>
<b>Key ratios</b>					
Equity ratio.....	31.3	15.3	15.3	7.5	9.1
Current ratio.....	72.6	80.4	91.2	81.5	109.3
Return on equity .....	2.7	-103.4	-239.9	-186.7	-446.5

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:	$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Current ratio:	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$

## MANAGEMENT COMMENTARY

### **Main activities of the company**

The main activities of the company consist of services in assistive technology, including operation and service of own and/or public owned aid equipment, rental and sales of aids, and distribution of health and welfare technology products and solutions.

The activities are primarily targeted municipalities and regions and secondary targeted private consumers via the retail chain Seniorland.

### **Development in activities and financial and economic position**

2020 was dominated by centralisation and an ERP project. Five locations in Funen and Zealand were closed and one big location in Greve opened to improve efficiency. Going forward the company have two locations. One just outside Aarhus and one in Greve. Furthermore, the old C5 solution was replaced by a cloud based MS Dynamic 365 solution.

Seniorland, the retail part of Zealand Care, continues to show a positive development in the online revenue with a growth of 23% from 2019 to 2020.

Due to group decision to have of a solvency rate of at least 30%, the company has received a capital contribution of DKK ('000) 14,000.

### **Profit/loss for the year compared to the expected development**

The annual result for 2020 shows a profit of DKK ('000) 433 and the balance sheet at 31 December 2020 shows equity of DKK ('000) 23,464. The performance of the company is still not satisfactory but does support the positive trend, in the ordinary operation, in line with the expectations for the year.

### **Significant events after the end of the financial year**

No events have happened after the end of the financial year of material importance for the company's financial position.

### **Future expectations**

For strategic reasons the parent company of Zealand Care has decision to leave the Danish market by April 1st 2022. Zealand Care may therefore potentially be acquired during 2021. Alternatively, all activities will cease or be transferred by April 2022 in a professional and orderly fashion.

This new strategic focus may have a negative impact on the figures for 2021 and 2022.



## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK '000	2019 DKK '000
<b>GROSS PROFIT</b> .....		<b>37,960</b>	<b>27,712</b>
Staff costs.....	1	-36,011	-35,090
Depreciation, amortisation and impairment losses.....		-1,329	-1,458
<b>OPERATING PROFIT</b> .....		<b>620</b>	<b>-8,836</b>
Other financial income.....	2	1,223	1,111
Other financial expenses.....	3	-1,410	-1,327
<b>PROFIT BEFORE TAX</b> .....		<b>433</b>	<b>-9,052</b>
Tax on profit/loss for the year.....		0	0
<b>PROFIT FOR THE YEAR</b> .....	4	<b>433</b>	<b>-9,052</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK '000	2019 DKK '000
Intangible fixed assets acquired.....		1,834	339
<b>Intangible assets.....</b>	5	<b>1,834</b>	<b>339</b>
Production plant and machinery.....		0	335
Other plant, fixtures and equipment.....		7,526	2,388
<b>Property, plant and equipment.....</b>	6	<b>7,526</b>	<b>2,723</b>
Receivables from group enterprises.....		32,423	23,611
Rent deposit and other receivables.....		383	612
<b>Financial non-current assets.....</b>	7	<b>32,806</b>	<b>24,223</b>
<b>NON-CURRENT ASSETS.....</b>		<b>42,166</b>	<b>27,285</b>
Finished goods and goods for resale.....		1,131	1,784
<b>Inventories.....</b>		<b>1,131</b>	<b>1,784</b>
Trade receivables.....		12,575	13,519
Other receivables.....		965	1,938
Prepayments and accrued income.....		466	1,089
<b>Receivables.....</b>	8	<b>14,006</b>	<b>16,546</b>
<b>Cash and cash equivalents.....</b>		<b>17,581</b>	<b>13,587</b>
<b>CURRENT ASSETS.....</b>		<b>32,718</b>	<b>31,917</b>
<b>ASSETS.....</b>		<b>74,884</b>	<b>59,202</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK '000	2019 DKK '000
Share capital.....	9	25,783	25,783
Retained earnings.....		-2,319	-16,752
<b>EQUITY.....</b>		<b>23,464</b>	<b>9,031</b>
Other provisions for liabilities.....	10	3,442	9,250
<b>PROVISIONS.....</b>		<b>3,442</b>	<b>9,250</b>
Other liabilities.....		3,102	1,316
<b>Non-current liabilities.....</b>	11	<b>3,102</b>	<b>1,316</b>
Trade payables.....		6,013	2,241
Payables to group enterprises.....		32,665	31,320
Other liabilities.....		6,000	6,044
Accruals and deferred income.....	12	198	0
<b>Current liabilities.....</b>		<b>44,876</b>	<b>39,605</b>
<b>LIABILITIES.....</b>		<b>47,978</b>	<b>40,921</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>74,884</b>	<b>59,202</b>
Contingencies etc.	13		
Charges and securities	14		
Related parties	15		
Information on uncertainty with respect to recognition and measurement	16		
Consolidated Financial Statements	17		

## EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2020.....	25,783	-16,752	9,031
Proposed profit allocation according to note 4.....		433	433
<b>Transactions with owners</b>			
Capital increase.....		14,000	14,000
<b>Equity at 31 December 2020.....</b>	<b>25,783</b>	<b>-2,319</b>	<b>23,464</b>

The share capital comprises 257,828 shares of DKK 100 each.  
All shares rank equally.

## NOTES

	2020 DKK '000	2019 DKK '000	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees	82	88	
Wages and salaries.....	31,893	30,802	
Pensions.....	2,664	2,875	
Social security costs.....	718	829	
Other staff costs.....	736	584	
	<b>36,011</b>	<b>35,090</b>	
With reference to section 98b(3) of the Danish Financial Statements Act, Management remuneration is not disclosed for 2020. Directors' fees have not been paid in 2020.			
<b>Other financial income</b>			<b>2</b>
Group enterprises.....	1,214	1,091	
Other interest income.....	9	20	
	<b>1,223</b>	<b>1,111</b>	
<b>Other financial expenses</b>			<b>3</b>
Group enterprises.....	1,345	1,285	
Other interest expenses.....	65	42	
	<b>1,410</b>	<b>1,327</b>	
<b>Proposed distribution of profit</b>			<b>4</b>
Retained earnings.....	433	-9,052	
	<b>433</b>	<b>-9,052</b>	
<b>Intangible assets</b>			<b>5</b>
		<b>Intangible fixed assets acquired</b>	
Cost at 1 January 2020.....		7,227	
Additions.....		1,646	
Disposals.....		-5,300	
<b>Cost at 31 December 2020.....</b>		<b>3,573</b>	
Amortisation at 1 January 2020.....		6,888	
Reversal of amortisation of assets disposed of .....		-5,316	
Amortisation for the year.....		167	
<b>Amortisation at 31 December 2020.....</b>		<b>1,739</b>	
<b>Carrying amount at 31 December 2020.....</b>		<b>1,834</b>	

## NOTES

			Note
<b>Property, plant and equipment</b>			<b>6</b>
	Production plant and machinery	Other plant, fixtures and equipment	
Cost at 1 January 2020.....	2,231	16,403	
Transferred.....	-1,824	0	
Additions.....	0	6,814	
Disposals.....	-407	-10,403	
<b>Cost at 31 December 2020.....</b>	<b>0</b>	<b>12,814</b>	
Depreciation and impairment losses at 1 January 2020.....	1,896	14,015	
Transferred.....	-1,823	0	
Reversal of depreciation of assets disposed of.....	-115	-9,563	
Depreciation for the year.....	42	836	
<b>Depreciation and impairment losses at 31 December 2020....</b>	<b>0</b>	<b>5,288</b>	
<b>Carrying amount at 31 December 2020.....</b>	<b>0</b>	<b>7,526</b>	
<b>Financial non-current assets</b>			<b>7</b>
	Receivables from group enterprises	Rent deposit and other receivables	
Cost at 1 January 2020.....	23,611	612	
Additions.....	8,812	0	
Disposals.....	0	-229	
<b>Cost at 31 December 2020.....</b>	<b>32,423</b>	<b>383</b>	
<b>Carrying amount at 31 December 2020.....</b>	<b>32,423</b>	<b>383</b>	
<b>Prepayments and accrued income</b>			<b>8</b>
Insurances.....	0	359	
Costs.....	466	730	
	<b>466</b>	<b>1,089</b>	
Prepayments comprise costs incurred in relation to subsequent financial years.			
<b>Share capital</b>			<b>9</b>
Allocation of share capital:			
LZG Group B.V., 257,312 unit in the denomination of 100 DKK..	25,731	25,731	
Rotterdamsche Financiering Maatschappij B.V., 516 unit in the denomination of 100 DKK.....	52	52	
	<b>25,783</b>	<b>25,783</b>	

## NOTES

	2020 DKK '000	2019 DKK '000	Note
<b>Other provisions for liabilities (short-term)</b>			<b>10</b>
0-1 year.....	3,442	9,250	

Other provisions for liabilities include costs of restructuring, such as rent in the notice period of closed sites, movement cost, project manager costs, lawyers and disposal of operating equipment.

	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities	11
Other liabilities.....	3,102	0	0	1,316	
	<b>3,102</b>	<b>0</b>	<b>0</b>	<b>1,316</b>	

<b>Accruals and deferred income</b>	<b>12</b>
Accruals and deferred income comprise advanced billings to customers.	

<b>Contingencies etc.</b>	<b>13</b>
---------------------------	-----------

**Contingent liabilities**

The company has entered into rental commitments amounting to DKK ('000) 48,588 at the balance sheet date. The liability amounts of DKK 46.012 ('000) has an remaining term of 120 months.

The company has entered into operating lease agreements for automobiles with an annual lease payment of DKK ('000) 3,445. The total liability amounts to DKK ('000) 5,293 at 31 December 2020 and has an average residual term of 19 months.

<b>Charges and securities</b>	<b>14</b>
-------------------------------	-----------

A registered company charge of a nominal amount of DKK ('000) 100 has been provided as collateral for debt to credit institutions at a carrying amount of DKK ('000) 0. Moreover, additional guarantees of DKK ('000) 1,360 have been provided for municipalities, secured by deposit accounts, which are included in cash and cash equivalents.

**NOTES****Note****Related parties****15**

The company's related parties include:

**Controlling interest**

LZG Group B.V.  
Lange Dreef 12  
4131 NH Vianen  
Holland

**Other related parties having performed transactions with the company**

Related parties comprise also the members of the Executive and Supervisory Boards as well as other companies in the Louwman Group.

**Transactions with related parties**

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

**Information on uncertainty with respect to recognition and measurement****16**

Other provisions in 2019 are for closure of locations, includes costs to reestablish and move locations, staff costs and legal advice.

The costs are assessed by Management, based on Management's best judgment based on experiences from the last relocation.

The value is calculated on the basis of irrevocability in rent agreements, and estimates of time to be spent, and the need for legal advice.

**Consolidated Financial Statements****17**

The company is included in the consolidated financial statements of the ultimate owner Lohomij B.V. The financial statements can be obtained by contacting Zealand Care A/S.



## ACCOUNTING POLICIES

*The Annual Report of ZEALAND CARE A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.*

*The Annual Report is prepared consistently with the accounting principles applied last year.*

### INCOME STATEMENT

#### **Net revenue**

*Net revenue from sale or resale and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.*

*Income from handling of aids equipment is recognised in the income statement at the amounts relating to the financial year.*

#### **Cost of sales**

*Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.*

#### **Other external expenses**

*Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.*

#### **Staff costs**

*Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the company's employees. Repayments from public authorities are deducted from staff costs.*

#### **Financial income and expenses**

*Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.*

#### **Tax**

*The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.*

### BALANCE SHEET

#### **Intangible fixed assets**

*At the initial recognition, intangible assets are measured at cost.*

*Software recognised in the balance sheet is measured at cost less accumulated amortisation and impairment losses.*

*Software is amortised on a straight-line basis over the estimated useful life. The amortisation period is 5-10 years.*

#### **Tangible fixed assets**

**ACCOUNTING POLICIES**

*Aids, machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.*

*The depreciation base is cost less estimated residual value after end of useful life.*

*The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.*

*Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:*

	<i>Useful life</i>	<i>Residual value</i>
<i>Production plant and machinery.....</i>	<i>2-11 years</i>	<i>0 %</i>
<i>Other plant, fixtures and equipment.....</i>	<i>2-10 years</i>	<i>0 %</i>

*Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.*

**Fixed asset investments**

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Non-current Group receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses, if necessary.

**Impairment of fixed assets**

*The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, is assessed on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.*

*In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the lower amount.*

*The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.*

**Inventories**

*Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.*

*The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.*

**Receivables**

*Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses and when there is an objective indication that a receivable or receivable portfolio has been impaired, a write-down is made on an individual basis.*

**Accruals, assets**

*Accruals recognised as assets include costs incurred relating to the subsequent financial year.*

## ACCOUNTING POLICIES

### **Other provisions for liabilities**

*Other provisions for liabilities include the expected cost of restructuring, termination of leases, premises, etc. Provisions are measured at net realisable value or fair value. If in terms of time the performance of the obligation is expected to be far in the future, the obligation is measured at fair value.*

### **Tax payable and deferred tax**

*Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.*

*Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.*

*Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.*

*Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates are recognised in the income statement, except from items recognised directly in equity.*

### **Liabilities**

*Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.*

*Amortised cost of short-term liabilities corresponds usually to the nominal value.*

### **Accruals, liabilities**

*Accruals recognised as liabilities include payments received regarding income in subsequent years.*

## CASH FLOW STATEMENT

*With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.*