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Gas Turbine Services A/S
Murervej 4 - 6
6710 Esbjerg V
Business Registration No
20589183

Annual report 2018

The Annual General Meeting adopted the annual report on 17.06.2019

Chairman of the General Meeting

Name: Roy Kjellerup

Contents

Entity details

Entity
Gas Turbine Services A/S
Murervej 4 - 6
6710 Esbjerg V

Central Business Registration No (CVR): 20589183
Registered in: Esbjerg
Financial year: 01.01.2018 - 31.12.2018

Board of Directors
Klaus Kisum Kjær, chairman
Chris Kjellerup-Krönlein
Robert John Dye
Lawrence Jamieson Howie
Roy Kjellerup

Executive Board
Roy Kjellerup

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Gas Turbine Services A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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

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

Esbjerg, 17.06.2019

Executive Board

Roy Kjellerup

Board of Directors

Klaus Kisum Kjær chairman	Chris Kjellerup-Krönlein	Robert John Dye
Lawrence Jamieson Howie	Roy Kjellerup	

Independent auditor's report

To the shareholders of Gas Turbine Services A/S

Opinion

We have audited the financial statements of Gas Turbine Services A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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 financial statements section of this auditor's report. We are independent of the Entity 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 financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the 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 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.

Independent auditor's report

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 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 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 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 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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

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

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Esbjerg, 17.06.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Jørn Jepsen
State Authorised Public Accountant
Identification No (MNE) mne24824

Bo Klitten Kjærgaard
State Authorised Public Accountant
Identification No (MNE) mne34507

Management commentary

Primary activities
The Company’s activities is sales and overhaul of turbines, as well as services in offshore and onshore cogeneration.

Development in activities and finances
Profit for the year is DKK 8,138k against DKK 5,486k last year.

Net profit is considered to be satisfactory in the current market situation.

Outlook
For 2019, Management expects an increased profit compared to 2018.

Particular risks
The Company has purchases and sales in foreign currency. The risk of significant impact on the year's results is minimized as purchases and sales are predominantly carried out in the same currencies.

Intellectual capital resources
The core business involves providing high-quality services. This element places additional demands on the intellectual capital resources concerning development and provision of services.

Staff
In order to continuously provide high-quality services it is crucial that the Company is able to recruit and retain staff with profound technical knowledge. The Company’s objective is for the entities to always have the highest level of knowledge and relevant technologies with a view to ensuring a high capacity for change.

Environmental performance
The Company aims to provide services consistently with the strictest of security and environmental regula-tions, and the Company’s enterprises make a targeted effort in this context, including securing external approval under applicable standards.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	Notes	2018 DKK	2017 DKK
Gross profit		**21,224,918**	**18,714,522**
Staff costs	1	(8,411,469)	(7,482,764)
Depreciation, amortisation and impairment losses	2	(373,771)	(1,118,954)
Operating profit/loss		**12,439,678**	**10,112,804**
Income from investments in group enterprises		(3,839)	(2,842)
Financial expenses from group enterprises		(1,024,927)	(1,015,715)
Other financial expenses		(957,399)	(1,921,578)
Profit/loss before tax		**10,453,513**	**7,172,669**
Tax on profit/loss for the year	3	(2,315,188)	(1,587,084)
Profit/loss for the year		**8,138,325**	**5,585,585**
Proposed distribution of profit/loss			
Retained earnings		8,138,325	5,585,585
		8,138,325	**5,585,585**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Other fixtures and fittings, tools and equipment		1,453,181	2,046,394
Property, plant and equipment	4	**1,453,181**	**2,046,394**
Investments in group enterprises		461,355	469,962
Fixed asset investments	5	**461,355**	**469,962**
Fixed assets		**1,914,536**	**2,516,356**
Work in progress		19,240,121	12,970,705
Manufactured goods and goods for resale		84,851,829	94,529,525
Prepayments for goods		195,762	0
Inventories		**104,287,712**	**107,500,230**
Trade receivables		15,394,132	6,203,992
Contract work in progress		4,661,241	1,057,445
Receivables from group enterprises		1,305,088	2,194,593
Deferred tax	6	263,042	805,690
Other receivables		21,375	72,226
Prepayments		812,958	1,014,556
Receivables		**22,457,836**	**11,348,502**
Cash		**438,948**	**1,775,476**
Current assets		**127,184,496**	**120,624,208**
Assets		**129,099,032**	**123,140,564**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Contributed capital		4,300,000	4,300,000
Reserve for net revaluation according to the equity method		357,915	366,522
Retained earnings		70,463,573	62,321,409
Equity		**75,121,488**	**66,987,931**
Bank loans		10,713,216	14,853,761
Prepayments received from customers		281,504	743,997
Contract work in progress		924,148	3,200,000
Trade payables		4,175,844	1,921,095
Payables to group enterprises		31,151,243	30,257,664
Joint taxation contribution payable		1,822,171	692,430
Other payables		3,004,448	1,424,216
Deferred income		1,904,970	3,059,470
Current liabilities other than provisions		**53,977,544**	**56,152,633**
Liabilities other than provisions		**53,977,544**	**56,152,633**
Equity and liabilities		**129,099,032**	**123,140,564**
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Group relations	10		

Statement of changes in equity for 2018

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	4,300,000	366,522	62,321,409	66,987,931
Exchange rate adjustments	0	(4,768)	0	(4,768)
Profit/loss for the year	0	(3,839)	8,142,164	8,138,325
Equity end of year	**4,300,000**	**357,915**	**70,463,573**	**75,121,488**

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	7,103,058	6,334,894
Pension costs	1,187,965	1,036,272
Other social security costs	120,446	111,598
	8,411,469	**7,482,764**
Average number of employees	**15**	**14**

	2018	2017
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	373,771	1,118,954
	373,771	**1,118,954**

	2018	2017
	DKK	DKK
3. Tax on profit/loss for the year		
Current tax	1,772,540	826,936
Change in deferred tax	542,648	922,770
Refund in joint taxation arrangement	0	(162,622)
	2,315,188	**1,587,084**

Notes

	Other fixtures and fittings, tools and equipment DKK
4. Property, plant and equipment	
Cost beginning of year	8,407,002
Transfers	(1,914,899)
Additions	995,457
Disposals	(205,496)
Cost end of year	**7,282,064**
Depreciation and impairment losses beginning of year	(6,360,608)
Transfers	700,000
Depreciation for the year	(373,771)
Reversal regarding disposals	205,496
Depreciation and impairment losses end of year	**(5,828,883)**
Carrying amount end of year	**1,453,181**

Transfers comprise a gas turbine which is no longer used for rental transfered back to manufactured goods and goods for resale from other fixtures and fittings, tools and equipment.

Notes

	Investments in group enterprises DKK
5. Fixed asset investments	
Cost beginning of year	103,440
Cost end of year	**103,440**
Revaluations beginning of year	366,522
Exchange rate adjustments	(4,768)
Share of profit/loss for the year	(3,839)
Revaluations end of year	**357,915**
Carrying amount end of year	**461,355**

	Registered in	Corporate form	Equity interest %
Investments in group enterprises comprise:			
Hans Kjellerup Norway AS	Stavanger, Norge	AS	100.0

6. Deferred tax

Deferred tax primarily comprises deferred tax assets service contracts in progress which is expected to be used in 2019.

	2018 DKK	2017 DKK
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**386,048**	**175,057**

Unrecognised rental and lease commitments comprise operating leasing agreements regarding other fixtures and fittings, tools and equipment until expiry of those agreements in 2019-2022.

Notes

8. Contingent liabilities

The Company's bank have issued payment guarantee to third party for a total amount of 225,400 GBP.

The Entity participates in a Danish joint taxation arrangement where HKJ Group A/S serves as the administration company. According to the joint taxation provi-sions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9. Assets charged and collateral

An all monies mortgage (floating charge) for DKK 40,000,000 nominal has been deposited to secure bank loans.

The floating charge covers inventories of raw materials, semi-products and finished products, unse-cured claims resulting from the sale of goods and services, fixtures and fittings, tools and equipment as well as goodwill, domain names and rights under the Danish Consolidate Patents Act, the Danish Consolidate Trademarks Act, the Danish Consolidate Designs Act, the Danish Consolidate Utility Models Act, the Danish Patterns Act, the Danish Copyright Act and the Danish Act on the Design of Semi-Conductor Products.

The carrying amount of assets subject to the floating charge is DKK 127,491,315 and attributable to other fixtures and fittings, tools and equipment of DKK 1,148,230 inventories of DKK 106,287,712 trade receivables of DKK 15,394,132 and contract work in progress of DKK 4,661,241.

Collateral provided for group enterprises

The Company has guaranteed the subsidiaries' bank loans. The guarantee is inlimited. The subsidiaries' bank loans total DKK 45,715,809.

10. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
HKJ Group A/S, Esbjerg

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year with the exception of the changes in classification of costs for service contracts according to the description of changes in accounting policies.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Changes in accounting policies

Anticipated costs to fulfil the service contracts is recognised in the income statement linearly for the period of the service contract. The difference between the actual costs and the costs recognised in the income statement at the balance sheet date is recognised as contract work in progress in the balance sheet. Each service contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value between the actual costs and the costs recognised in the income statement at the balance sheet date is positive or negative.

Prior years anticipated costs to fulfil the service contracts was recognised in the income statement linearly for the period of the service contract. The difference between the actual costs and the costs recognised in the income statement at the balance sheet date was recognised as provisions in the balance sheet.

The change in accounting policies have not had any financial impact on assets, liabilities, the financial position or the profit but only a change in classification between provisions and contract work in progress and the comparative figures are restated.

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.

Accounting policies

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

Business combinations
The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree’s assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are re-stated.

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, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries’ equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

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
Gross profit or loss
Gross profit or loss comprises revenue, cost of raw materials and consumables and other external expenses.

Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue from service contracts is recognised linearly for the period of the service contract after vesting principle. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Costs of raw materials and consumables
Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

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

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, 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 intra-group profits or losses.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Accounting policies

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment as well as leashold improvements 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. For self-constructed assets, cost comprises direct costs of materials, components, subsuppliers and labour costs.

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

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

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

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

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs.

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

Accounting policies

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

Contract work in progress
Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Service contracts in progress
Anticipated costs to fulfil the service contracts is recognised in the income statement linearly for the period of the service contract. The difference between the actual costs and the costs recognised in the income statement at the balance sheet date is recognised as contract work in progress in the balance sheet.

Each service contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value between the actual costs and the costs recognised in the income statement at the balance sheet date is positive or negative.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

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

Accounting policies

Cash

Cash comprises cash in hand and bank deposits.

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred income

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