Hyperbaric Consult A/S

Havnen 5, 1. 1., 3250, Gilleleje

Company reg. no. 20 78 48 81

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 24 April 2020.

Kenneth Gudmundsson
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Hyperbaric Consult A/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Gilleleje, 17 April 2020

Managing Director

Jan Michael Eilersen

Board of directors

Kenneth Gudmundsson	Jan Michael Eilersen	Michael Søgaard Madsen

Independent auditor's report

To the shareholders of Hyperbaric Consult A/S

Opinion

We have audited the annual accounts of Hyperbaric Consult A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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.

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

- Conclude on the appropriateness of the management’s preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 17 April 2020

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Henrik Paaske
State Authorised Public Accountant
mne10067

Benjamin Møller Obel
State Authorised Public Accountant
mne44149

Company information

The company	Hyperbaric Consult A/S Havnen 5, 1. 1. 3250, Gilleleje	
	Company reg. no.	20 78 48 81
	Financial year:	1 January - 31 December
Board of directors	Kenneth Gudmundsson Jan Michael Eilersen Michael Søgaard Madsen	
Managing Director	Jan Michael Eilersen	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Subsidiaries	Hyperbaric Consult Ltd, England Clean Seabed ApS, Gribskov	

Management commentary

The principal activities of the company

The Company´s primary activity is to operate within diving, offshore support and hyperbaric management.

Development in activities and financial matters

The gross profit for the year is DKK 10.427.559 against DKK 12.971.392 last year. The results from ordinary activities after tax are DKK 2.405.415 against DKK 770.097 last year. The management consider the results satisfactory.

The expected development

At the time of submission of the annual report, the Company has signed orders in the pipeline for completion in 2020 of such size that a small positive result is expected for 2020.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2019	2018
	Gross profit	**10.427.559**	**12.971.392**
1	Staff costs	-7.354.412	-7.365.071
	Depreciation and writedown relating to tangible fixed assets	-2.327.996	-2.474.768
	Operating profit	**745.151**	**3.131.553**
	Income from equity investments in group enterprises	2.245.610	-1.099.361
	Other financial income	442.288	132.818
2	Other financial costs	-981.440	-866.585
	Pre-tax net profit or loss	**2.451.609**	**1.298.425**
3	Tax on ordinary results	-46.194	-528.328
	Profit or loss from ordinary activities after tax	**2.405.415**	**770.097**
	Net profit or loss for the year	**2.405.415**	**770.097**
	Proposed appropriation of net profit:		
	Reserves for net revaluation according to the equity method	773.932	0
	Transferred to retained earnings	1.631.483	770.097
	Total allocations and transfers	**2.405.415**	**770.097**

Statement of financial position 31 December

All amounts in DKK.

Note	Assets	2019	2018
	Non-current assets		
4	Other plants, operating assets, and fixtures and furniture	69.667	96.037
5	Ships	52.332.393	51.932.270
	Total property, plant, and equipment	52.402.060	52.028.307
6	Equity investments in group enterprises	823.942	0
	Deposits	19.500	19.500
	Total investments	843.442	19.500
	Total non-current assets	**53.245.502**	**52.047.807**
	Current assets		
	Trade debtors	397.995	6.057.782
7	Work in progress for the account of others	2.029.209	389.159
	Amounts owed by group enterprises	6.372.133	847.508
	Other debtors	0	193.725
	Accrued income and deferred expenses	25.317	16.424
	Total receivables	8.824.654	7.504.598
	Available funds	575.495	1.293.422
	Total current assets	**9.400.149**	**8.798.020**
	Total assets	**62.645.651**	**60.845.827**

Statement of financial position 31 December

All amounts in DKK.

Note	Equity and liabilities	2019	2018
	Equity		
8	Contributed capital	1.000.000	500.000
10	Revaluation reserve	9.159.074	10.685.587
11	Reserves for net revaluation as per the equity method	773.932	0
12	Results brought forward	31.089.584	14.514.620
	Total equity	**42.022.590**	**25.700.207**
	Provisions		
	Provisions for deferred tax	5.976.930	5.930.736
	Total provisions	**5.976.930**	**5.930.736**
	Liabilities other than provisions		
	Bank debts	3.230.000	5.370.000
	Debt to shareholders and management	1.722.493	15.593.652
13	Total long term liabilities other than provisions	4.952.493	20.963.652
13	Short-term part of long-term liabilities	2.140.000	2.140.000
	Bank debts	4.942.271	5.155.254
	Trade creditors	857.487	253.297
	Debt to group enterprises	0	30.078
	Other debts	1.753.880	672.603
	Total short term liabilities other than provisions	9.693.638	8.251.232
	Total liabilities other than provisions	**14.646.131**	**29.214.884**
	Total equity and liabilities	**62.645.651**	**60.845.827**

14 Mortgage and securities

15 Contingencies

Notes

All amounts in DKK.

		2019	2018
1.	**Staff costs**		
	Salaries and wages	7.231.183	7.315.712
	Pension costs	76.392	2.572
	Other costs for social security	18.839	20.448
	Other staff costs	27.998	26.339
		7.354.412	**7.365.071**
	Average number of employees	25	24
2.	**Other financial costs**		
	Other financial costs	981.440	866.585
		981.440	**866.585**
3.	**Tax on ordinary results**		
	Adjustment for the year of deferred tax	46.194	528.328
		46.194	**528.328**
4.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2019	770.289	1.292.315
	Additions during the year	0	95.000
	Disposals during the year	0	-617.026
	Cost 31 December 2019	**770.289**	**770.289**
	Amortisation and writedown 1 January 2019	-674.252	-1.248.374
	Depreciation for the year	-26.370	-42.904
	Depreciation, amortisation and writedown for the year, assets disposed of	0	617.026
	Amortisation and writedown 31 December 2019	**-700.622**	**-674.252**
	Book value 31 December 2019	**69.667**	**96.037**

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
5.	**Ships**		
	Cost 1 January 2019	52.107.785	60.904.092
	Additions during the year	2.701.749	124.735
	Disposals during the year	0	-8.921.042
	Cost 31 December 2019	**54.809.534**	**52.107.785**
	Revaluation 1 January 2019	19.570.673	19.570.673
	Revaluation 31 December 2019	**19.570.673**	**19.570.673**
	Depreciation and writedown 1 January 2019	-19.746.188	-25.920.283
	Depreciation for the year	-2.301.626	-2.441.134
	Depreciation, amortisation and writedown for the year, assets disposed of	0	8.615.229
	Depreciation and writedown 31 December 2019	**-22.047.814**	**-19.746.188**
	Carrying amount, 31 December 2019	**52.332.393**	**51.932.270**

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
6.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2019	50.010	10
	Additions during the year	0	50.000
	Cost 31 December 2019	**50.010**	**50.010**
	Revaluations, opening balance 1 January 2019	-1.388.646	-293.491
	Translation by use of the exchange rate valid on b	-83.032	4.206
	Results for the year before goodwill amortisation	2.245.610	-1.099.361
	Revaluation 31 December 2019	**773.932**	**-1.388.646**
	Offsetting against debtors	0	1.338.636
	Set off against debtors and provisions for liabilities	**0**	**1.338.636**
	Book value 31 December 2019	**823.942**	**0**

Group enterprises:

	Domicile	Share of ownership
Hyperbaric Consult Ltd	England	100 %
Clean Seabed ApS	Gribskov	100 %

		31/12 2019	31/12 2018
7.	**Work in progress for the account of others**		
	Sales value of the production of the period	2.029.209	389.159
	Work in progress for the account of others, net	**2.029.209**	**389.159**
8.	**Contributed capital**		
	Contributed capital 1 January 2019	500.000	500.000
	Cash capital increase	500.000	0
		1.000.000	**500.000**
9.	**Share premium**		
	Share premium account for the year	13.500.000	0
	Transferred to results brought forward	-13.500.000	0
		0	**0**

All amounts in DKK.

		31/12 2019	31/12 2018
10.	**Revaluation reserve**		
	Revaluation reserve 1 January 2019	10.685.587	14.324.374
	Dissolution of revaluations of previous years	-1.526.513	-3.638.787
		9.159.074	**10.685.587**
11.	**Reserves for net revaluation as per the equity method**		
	Share of results	773.932	0
		773.932	**0**
12.	**Results brought forward**		
	Results brought forward 1 January 2019	14.514.620	10.105.736
	Profit or loss for the year brought forward	1.548.451	770.097
	Transferred from share premium account	13.500.000	0
	Dissolution of revaluations	1.526.513	3.638.787
		31.089.584	**14.514.620**

13. Liabilities

	Debt in total 31 Dec 2019	**Short-term part of long-term liabilities**	**Long-term debt 31 Dec 2019**	**Outstanding debt after 5 years**
Bank debts	5.370.000	2.140.000	3.230.000	0
Debt to shareholders and management	1.722.493	0	1.722.493	0
	7.092.493	**2.140.000**	**4.952.493**	**0**

14. Mortgage and securities

As security for bank debts, DKK 21.000.000, mortgage has been granted in one of the companys ships representing a book value of DKK 38.787.085 at 31 December 2019.

Notes

All amounts in DKK.

14. Mortgage and securities (continued)

For bank debts, the company has provided security in company assets representing a nominal value of DKK 6.000.000. This security comprises the below assets, stating the book values:

Receivable from sales and services	DKK 8.799.337

15. Contingencies

Contingent liabilities

	DKK in thousands
Leasing liabilities	68
Contingent liabilities in total	**68**

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

The annual report for Hyperbaric Consult A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The annual accounts are presented in Danish kroner (DKK). The annual report comprises the first financial year, and consequently, comparative figures are not included.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Shpis are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown.

Ships are revaluated on the basis of regular, independent evaluation of the fair value. The net revaluation at fair value adjustment is recognised directly on the equity after deduction of deferred tax and tied up in a particular revaluation reserve. Net impairment at fair value adjustments is recognised in the profit and loss account.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and re-evaluated annually. If the residual value exceeds the book value of the asset, the depreciation expires.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Accounting policies

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Ships	10 years	34.500.000 DKK
Other plants, operating assets, fixtures and furniture	3-5 years	0 DKK

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exists. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be been entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it is probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Revaluation reserve

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property. The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries and associates proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Hyperbaric Consult A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Hyperbaric Consult A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or “Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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