CSC Scandihealth A/S

Company Registration No 25 46 93 64
PO Pedersens vej 2
8200 Aarhus N. Skejby

Annual Report 2015/16

The annual report is presented and adopted on the Annual General Meeting on 29 August 2016

Chairman of the Annual General Meeting

Daniel Kiil

Contents

Company details

Company

CSC Scandihealth A/S
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Municipality of domicile: Aarhus

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Board of Directors

Jørgen Jakobsen, Chairman
Andrea Fiumicelli
Ebba Waltre
Kim Frederiksen *)
Anders Jakobsen *)

*) Elected by the employees

Executive Board

Philippe Jacques Blanco

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Management's statement

The Board of Directors and the Executive Board have today considered and approved the annual report of CSC Scandihealth A/S for the financial year 1 April 2015 to 31 March 2016.

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 financial position at 31 March 2016 and of its financial performance for the financial year 1 April 2015 – 31 March 2016.

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

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

Copenhagen, 29 August 2016

Executive Board

Philippe Jacques Blanco
Managing Director

Board of Directors

Jørgen Jakobsen
Chairman

Andrea Fiumicelli

Ebba Waltre

Kim Frederiksen

Anders Jakobsen

Independent auditor's reports

To the shareholder of CSC Scandihealth A/S

Report on the financial statements

We have audited the financial statements of CSC Scandihealth A/S for the financial year 1 April 2015 to 31 March 2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 March 2016 and of the results of its operations for the financial year 1 April 2015 to 31 March 2016 in accordance with the Danish Financial Statements Act.

Statement on the management report

Pursuant to the Danish Financial Statements Act, we have read the management report. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management report is consistent with the financial statements.

Copenhagen, 29 August 2016

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no: 33963556

Kim Gerner
State Authorised Public Accountant

Management report

Financial highlights Key figures	2015/16 DKK'000	2014/15 DKK'000	20013/14 DKK'000	20012/13 DKK'000	20011/12 DKK'000
Revenue	417,194	449,796	456,974	401,059	428,690
Earnings from operting activities	25,644	(1,008)	44,513	11,368	33,747
Net Financial Costs	258	(1,428)	18	(34)	2,277
Profits or loss for the year	20,232	(2,234)	33,376	8,282	27,064
Equity	491,012	470,778	473,014	439,638	431,356
Balance sheet total	631,746	607,313	592,357	572,063	587,392
Investment in property, plant & equipment	4,658	3,912	2,043	2,074	3,773
Average operating assets	324,907	301,333	266,958	226,986	180,083
Ratios[1]					
Operating margin (%)	6	0	10	3	8
Return on operating assets (%)	8	0	17	5	19
Return on equity (%)	4	0	7	2	6
Equity share (%)	78	78	80	77	73

[1] Key ratios are calculated in accordance with the "The Danish Society of Financial Analysts Recommendations & Financial Ratios 2015."

Management report

Core business activity

CSC Scandihealth A/S's core business is the development and sales of IT solutions for the health and social sector.

Development of activities and financial matters

Profit for the year

Considering the hard-pressed market the profit for the year can be considered as a good performance. The result includes a revenue reduction of 7% compared to last year. Revenue came in at 417.1 DKKm with a profit after tax of 20.2 DKKm. In current year there is a labour restructuring cost of 19.4 DKKm.

Evaluation of last year's expectations

In the Annual Report for 2014/15, the expectation was for a positive development in the Company's product portfolio, maintaining a leading position in the Danish market and a stringent policy of cost control. For the current fiscal year, management expected a comparable result to 2014/15. The result is better than expected due to decreased cost.

New products

In 2014 and 2015, the Company has successfully delivered a nation-wide contract in Denmark for a new product within the pre-hospital sector, which has cemented the Company's position as leader within IT support to the Public sector. The full implementation across the five Danish regions was finalized mid 2015.

In summer 2014, Stockholm County Council (Stockholm Landsländing) in Sweden decided to select this new product within pre-hospital sector in order to manage a fleet of 200 ambulances in the region and to connect these ambulances to the Electronic Patient Record in the hospitals. The programme in now under implementation. The first ambulances have been implemented in March 2016 and further roll-out is on its way, expected to be completed in the course of next fiscal year..

The Company has continued the implementation of CSC Clinical Suite within the North-Jutland Region as planned. In conjunction, the application and use of the Company's EPJ-solution CSC Clinical Suite is also increasing in the North-Jutland Region, Capital Region and Zealand Region.

As a result of the Company's strategic decision to launch its products on the Nordic market, a new contract has been entered with Göteborg Municipality on CSC Omsorg. Göteborg Municipality give the company a strong foothold in the Swedish Municipality market.

Management is actively working to increase the export of Danish health IT solutions through dialogue with various ministers and ministries as well as through the IT sector Health Committee.

Management report

Investments

In 2014/15 the Company has made sizeable investments with the intent of developing IT solutions on both a Global and Nordic level for both the primary and secondary healthcare sectors. A large portion of the investments have been used in CSC Clinical Suite and CSC VITAE Suite.

Financial resources

The Company continues the previous years' consolidation of equity. The Company's equity ratio increased to 77.7%, from 77.5% in 2014/15 which is equal to an equity position of 491.0 DKKm as of 31 March 2016.

Expectations for the future

The Danish market is confronted with increasing pressure on containing IT spending. In addition the competition in the healthcare area is still tough. Therefore the goal for the coming years is to keep the current market share within Healthcare area for IT solutions and keep the level of result before tax. Thus management expects no change in the current market share in Denmark but expects to increase marketshares in Norway and Sweden.

Uncertainty relating to recognition and measurement

The value of the company's development projects is supported by estimates for future revenue and earnings. If the estimate is not realized as expected this could have a significant negative effect on the carrying amount of the development projects.

Special risks

Risk management policy

As a result of its operations and financing, the Company is exposed to a number of financial risks e.g. changes in currency and interest rates, liquidity risks and credit risks. Management of financial risks is centralized and handled by the parent company CSC Danmark A/S. The general framework for financial risk management is determined in the CSC Group's finance policy which is applicable to all CSC entities worldwide.

Operational risks

The Company's most significant operational risk is related to its ability to be price-competitive as well as deliver solutions to clients who demand a highly qualified workforce at a competitive price. It is thus essential, that the workforce is continuously moulded to fit the actual demands of clients. Furthermore it is important that the company continuously innovate in order to be on the forefront in terms of the IT systems used in the health- and social sector.

Management report

Market risks

The Company's most significant market risk is tied to its ability to be strongly positioned within the important Nordic markets in which it primarily operates in.

Currency risks

The company invoices primarily in DKK and the bulk of the costs for salary and other external costs are also received in DKK.

Interest risks

The interest bearing debt is held against the parent company CSC Danmark A/S, partially in variable and fixed intercompany loans as well as external variable rate financing. Changes in interest rates will have a moderate and indirect effect on the company's earnings, due to the company's involvement in the Group's cash pool scheme.

Liquidity risks

The company is dependent on having access to long-term financing. This is why the company adheres to the policy of having interminable credit limits that are sufficient to cover the planned operations.

The company is only exposed to the changes in interest rates. The company's financial resources are comprised of cash and cash equivalents and unutilized credit facilities. Cash pools have been established in the relevant currencies (DKK, SEK, NOK & EUR).

Credit risks

Credit risks tied to financial assets relate to those values which are calculated in the company's balance sheet. The company has no significant business risks related to or dependence of one customer or business partner. However the company has a significant exposure to a few public customers.

Historically, the company has found that that there have been only small loses on receivables which also applies to the current fiscal year.

Intellectual capital property

The company's business model seeks to create value for clients by delivering healthcare IT solutions which are adaptable to future needs. This makes large demands on knowledge based resources and business processes.

In order to be able to deliver these solutions, it is paramount that the company is able to recruit and retain individuals who are highly educated within IT solutions for the health- and social sector.

Management report

Corporate social responsibility

CSC is an environmentally aware organization and continually strives to reduce the detrimental environmental effects of its operations by way of process optimization, paper use, environmentally friendly cars and cooling of server and data centers.

CSC Danmark A/S, which is the head office for CSC Nordics and the parent of CSC Scandihealth A/S, is ISO9001/ISO20000 certified. This commits the company to optimize daily routines and processes in order to minimize the use of resources. CSC Scandihealth A/S is covered by this certification.

Over and above this, the parent company CSC Danmark A/S is ISO14001 environmentally certified, which is an important parameter for the Group's clients. CSC Scandihealth A/S benefits by this certification in the following areas.

Over the last five fiscal years CSC has managed to reduce paper usage by 55 % within the Danish companies. Furthermore, all new company cars registered from 2010 onwards belong to environmental class A or B.

Corporate social responsibility in CSC is comprised of five pillars:

- Clients. Providing our customers with innovation to help resolve pressing global issues associated with climate change and natural resource usage.
- Employees. Striving to be the employer of choice, offering professional development, ensuring staff well-being and valuing creativity, respect and diversity.
- Community. Developing sustainable business-community partnerships to address local economic, social and environmental issues and contribute to sustainable development.
- Environment. Effectively managing our internal environmental sustainability, across energy, CO2 emissions, waste and water and natural resource use.
- Governance. Running our global business with high ethical, environmental and supply chain standards.

Please see the comments sections of the 2015 report of the ultimate parent company Computer Sciences Corporation at www.csc.com/cr. During January to March, 2016 no changes have occurred relating to policies and results of actions.

Research and development

The Company development activities relate primarily to the development of IT solutions for the healthcare and social sector.

This year, the focus has been on dedicated development plans of new IT solutions. These plans are to ensure that there is a strategic fit between the Company's activities and the demands from the market, so that the Company's new and innovative IT products and solutions can be brought to the market and our clients as fast as possible.

Management report

Share of the under-represented gender

CSC Scandihealth A/S has set a target of at least 33,33% female board members in 2018.The current status is that there is one female member (33,33%).

CSC will try to ensure, at least one female candidate is presented to all senior management positions. 26% of senior management (Nordic Board) are female. If two candidates are equal on qualifications the female candidate will be chosen.

CSC has implemented employee performance appraisal reviews and personal development plans for all employees, to ensure that all employees are measured up against individual goals, and get immediate feedback to these. Development plans are set to reach the best possible use of the employee qualifications. The plans are consolidated in a system, to ensure that CSC has a cross organizational overview of qualifications. This has enabled the company to utilize the employee qualifications in the best way.

It is important to CSC that female employees find that they have the same opportunities for career development and access to management positions as their male colleagues. CSC has flexible working conditions to ensure work life balance.

Subsequent events

No events have occurred after the fiscal year end up until this date that affect the balance sheet and subsequently this annual report.

Accounting policies

This annual report for CSC Scandihealth A/S for the financial year 2015/16 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C (large).

The accounting policies applied for this annual report are consistent with those applied last year.

In accordance with provision 86, 4 of the Danish Financial Statements Act, CSC Scandihealth A/S has omitted to prepare a cash flow statement as the cash flow statement is part of the cash flow statement for the group annual report for Computer Sciences Corporation, Tysons, Virginia, USA.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Company 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 Company, and the value of the liabilities 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.

Financial assets and liabilities are measured on the basis of amortised cost – within which a fixed interest rate is used. Amortised cost is calculated as the purchase price inclusive of any accumulated amortised additions/deductions of the difference between the cost price and the nominal value.

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

Income hereunder valuation adjustments of financial assets and liabilities measured at fair value or amortised cost is recognised in the income statement when earned. Costs that have been incurred in order to generate earnings are recognized in the income statement hereunder depreciation, write downs and provisions.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are converted by applying the exchange rate as at the transaction date. Exchange differences that arise between the rate at the transaction date and the one 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.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are converted using the exchange rate at the balance sheet date. The difference between the spot exchange rate and the date when the receivable or liability is realized, is recognized in the income statement under financial income and costs.

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

Income statement

Revenue

Revenue from the sale of services and licenses are recognised in the income statement when delivery is made, risk has transferred to the buyer, if the revenue can be calculated reliably and it is expected that payment is received. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the fixed consideration net of VAT and dueties charged on behalf of a third party.

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).

Other external expenses

Other external expenses include expenses for distribution, sale, marketing, administration, premises, loss on bad debts etc.

Other external expenses also include research costs and costs of development projects that do not meet the criteria for recognition in the balance sheet. In addition, provisions for loss on contract work in progress are recognised.

Personnel expenses

Personnel expenses include salaries and wages as well as social insurance contributions, pension contributions etc. for the Company's employees.

Accounting policies

Financial income and expenses

These items comprise interest income and expenses, realised and unrealised capital gains and losses on payables and transactions in foreign currencies etc. as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Income tax

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

Balance sheet

Intangible assets

Intangible assets are comprised of uncompleted and completed development projects with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets, if the cost price can be reliably measured and there is sufficient security that the future earnings are greater than other external expenses as well as development costs. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects include salaries that are directly and indirectly attributable to the Company's development activities.

Completed development projects recognized in the balance sheet are measured at cost less accumulated amortization and impairment losses.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is usually five years, however, in certain cases it is seven years for development projects with a strong market position and long-term earnings profile.

The lifetime for newly-developed products is evaluated in conjunction with the start-up of a new development project. When existing products are developed further by adding new modules and functionalities, a reevaluation of the entire products expected useful lifetime is performed, including the existing product, at the end of the fiscal year.

Accounting policies

Acquired intellectual property rights in the form of licences are measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the term of the agreement.

Profits and losses from the sale of development projects and licenses are calculated as the difference between selling price less selling costs and the carrying amount at the time of sale. Profits and losses are recognized in the income statement as an adjustment to amortisation and impairment losses, or under other income.

Property, plant and equipment

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

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

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

Plant and machinery	3-5 years
Other fixtures and fittings, tools etc.	5-10 years

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

Devaluation of fixed assets

The accounting value of intangible and fixed assets is evaluated yearly for indications of a decrease in value over and above that caused by amortization and depreciation.

If it becomes apparent that assets devalue, an impairment test is made of each and every asset or asset class. Assets are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value.

A write down to counter to receivables will be performed if there are objective indications that the receivable or portfolio of receivables have devalued. If a single receivable is deemed to have devalued, then the write down will be taken on an individual receivable.

Accounting policies

Write downs are calculated as the difference between the accounting value of receivables and the present value of the expected cash flows, hereunder the realized value of any received collateral. The discount rate used is the effective rate for each specific receivable or portfolio.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried based on the stage of completion.

The stage of completion is determined as the ratio between actual and total budgeted costs on each project.

When it is probable that total costs incurred on each project will exceed total income on the project, expected loss is recognized in the income statement.

When the sales value cannot be reliably measured, the sales value is measured at costs incurred or at a lower net realization value.

On account invoices are deducted in the sales value. Each contract in progress is recognised as a receivable when the net value is positive and as a liability when prepayments exceed the sales value.

Sales promotion costs and costs related to obtaining the contracts are recognized in the income statement concurrently with the incurred costs.

Prepayments
Prepayments disclosed as current assets include incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Tax payable and deferred tax
The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this years taxable income, adjusted for prepaid tax.

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

Deferred tax assets, including the value of the carried forward taxable losses, are recognised in the balance sheet at their estimated realisable value, either to off-set future taxable income or deferred tax liabilities within the same legal entity or jurisdiction.

The company has entered into a joint taxation agreement. The actual Danish corporate tax is divided between the jointly taxed companies in proportion to their taxable income (distribution with reimbursement on losses).

Accounting policies

Other liabilities

Financial liabilities which include trade payables and liabilities to other group entities are measured at net realization value which usually corresponds to nominal value.

Deferred income

Deferred income disclosed as short term liabilities includes received income for recognition in subsequent financial years. Deferred income is measured at cost.

Segment reporting

Information is given regarding the business segments and geographical markets. Segment information follows account principles, risk and internal financial controlling.

Financial highlights

The definition of key figures is in accordance with
"The Danish Society of Financial Analysts Recommendations & Financial ratios 2015"

Ratios		Calculation method
Operating margin (%)	=	$\frac{\text{Earnings from operating act.} \times 100}{\text{Revenue}}$
Return on operating assets (%)	=	$\frac{\text{Earnings from operating act.} \times 100}{\text{Average operating assets}}$
Equity share (%)	=	$\frac{\text{Equity} \times 100}{\text{Total Assets}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

Operating assets = Operating assets is all assets less Cash

Income statement for the period 1 April 2015 – 31 March 2016

	Note	2015/16 DKK'000	2014/15 DKK'000
Revenue	2	417,194	449,796
Other external expenses	3	(250,358)	(269,881)
Gross profit		**166,836**	**179,915**
Personnel expenses	4	(111,396)	(154,110)
Depreciation, amortisation and impairment of losses		(29,796)	(26,813)
Earnings from operating activities		**25,644**	**(1,008)**
Financial income		1,881	353
Financial expenses		(1,623)	(1,781)
Profit before income tax		**25,902**	**(2,436)**
Income tax	5	**(5,670)**	**202**
Profit/(loss) for the year		**20,232**	**(2,234)**
Proposed distribution of profit/(loss)			
Retained earnings		20,232	(2,234)
		20,232	**(2,234)**

Balance Sheet at 31 March 2016

	Notes	2016 DKK'000	2015 DKK'000
Completed development projects		172,823	134,680
Acquired licences		1,558	502
Development projects in progress		6,046	50,793
Intangible assets	6	**180,427**	**185,975**
Plant and machinery		7,327	2,853
Other fixtures and fittings,tools and equipment		486	541
Leasehold improvements		294	128
Plant and machinery in progress		-	2,782
Property, plant and equipment	7	**8,107**	**6,304**
Other receivables	8	5,702	5,651
Deferred tax asset	13	-	645
Financial assets		**5,702**	**6,296**
Non current assets		**194,236**	**198,575**
Inventories	9	**324**	**324**
Trade receivables		99,145	53,901
Contract work in progress	10	31,630	51,000
Other receivables		1,445	357
Prepayments	11	7,752	11,124
Receivables		**139,972**	**116,382**
Cash and cash equivalents		**297,214**	**292,032**
Current assets		**437,510**	**408,738**
Assets		**631,746**	**607,313**

Balance Sheet at 31 March 2016

Liabilities	Note	2016 DKK'000	2015 DKK'000
Share capital	12	25,000	25,000
Retained earnings		466,012	445,780
Equity		**491,012**	**470,780**
Deferred tax liabilities	13	5,025	-
Other provisions		7,186	-
Provisions		**12,211**	-
Prepayments from customers	10	4,847	7,870
Trade payables		6,207	4,426
Group entity payables		47,894	40,520
Other payables		46,930	55,241
Deferred income	14	22,645	28,476
Current liabilities		**128,523**	**136,533**
Liabilities		**140,734**	**136,533**
Equity provisions and liabilities		**631,746**	**607,313**

Uncertainty relating to recognition and measurement	1
Contingencies and commitments etc.	15
Loans and collaterals	16
Related parties	17

Statement of changes in equity for 1 April 2015 – 31 March 2016

	Share Capital DKK'000	Retained Earnings DKK'000	Total DKK'000
Equity as at 01 April 2015	25,000	445,780	470,780
Profits for the year		20,232	20,232
Equity as at 31 March 2016	**25,000**	**466,012**	**491,012**

Notes

1. Uncertainty relating to recognition and measurement
Uncertainties related to recognition and measurement of development projects is supported by estimates for future revenue and earnings. If the estimate is not realized as expected this could have a significant negative effect on the carrying amount of the development projects.

2. Segment Reporting

	2015/2016 DKK'000	2015/2016 DKK'000
Net revenue recognised between main activities (main segments)		
Services- municipal sector	78,648	76,828
Services- regional sector	325,458	354,768
Services- educations sector	13,088	18,200
	417,194	**449,796**

Out of the total net revenue almost 96% (2014/15: 100 %) of the Company's services are sold on the Danish market and 4 % (2014/15 0 %) from exports.

3. Fees to auditors appointed at the annual general meeting

Statutory audit sevices	327	348
Other declaration of assurance	25	25
Other services	-	66
	352	**439**

4. Personnel expenses

Salaries and wages	96,255	138,887
Pension costs	13,265	13,108
Other social insurance contributions	1,876	2,115
	111,396	**154,110**
Total compensation and remuneration to Executive Board and Board of Directors	**3.060**	**2,996**
Average number of employees	**273**	**304**

In accordance with provision 98 b, 3 of the Danish Financial Statements Act the remuneration of the managing director and Board of Directors is disclosed as a combined amount. 2015/16 has a restructuring cost of 19.4 DKKm.

Notes

5. Income tax	2015/16 DKK'000	2014/15 DKK'000
Change in deferred tax	6,228	(563)
Not recognised part of tax asset	(250)	250
Adjustment tax prior periods	24	67
Adjustment deferred tax, change in tax %	66	44
Change in tax % P&L	(398)	-
	5,670	**(202)**

	Development Projects DKK'000	Acquired Licences DKK'000	Devolepment projects in progress DKK'000
6. Intangible assets			
Cost as at 1 April 2015	219,220	1,135	50,793
Additions	20,091	1,302	-
Transfer	44,747	-	(44,747)
Disposals	(6,043)	-	-
Cost as at 31 March 2016	**278,015**	**2,437**	**6,046**
Amortisation and impairment losses as at 1 April 2015	84,540	633	-
Amortisation for the year	25,570	246	-
Reversals relating to disposals	(4,918)	-	-
Amortisation and impairment losses as at 31 March 2016	**105,192**	**879**	-
Carrying amount as at 31 March 2016	**172,823**	**1,558**	**6,046**

Notes

7. Property, plant and equipment	Plant and machinery DKK'000	Other Fixtures DKK'000	Leasehold improvements DKK'000	P&M in progress DKK'000
Cost as at 1 April 2015	6,172	1,336	279	2,782
Transfers	2,888	(345)	239	(2,782)
Additions	4,597	61	-	-
Disposals	(825)	(59)	-	-
Cost as at 31 March 2016	**12,832**	**993**	**518**	-
Depreciation and impairment losses as at 1 April 2015	3,319	795	151	-
Transfers	314	(345)	31	
Depreciation for the year	2,697	116	42	-
Reversals relating to disposals	(825)	(59)	-	-
Depreciation and impairment losses as at 31 March 2016	**5,505**	**507**	**224**	-
Carrying amount as at 31 March 2016	**7,327**	**486**	**294**	-

8. Financial Assets	2016 DKK'000
Cost as at 1 April 2015	5,651
Additions	51
Disposals	-
Cost as at 31 March 2016	**5,702**
Depreciation and impairment losses as at 1 April 2015	-
Depreciation for the year	-
Depreciation and impairment losses as at 31 March 2016	-
Carrying amount as at 31 March 2016	**5,702**

9. Inventories

Inventories comprise of finished goods and commodities.

Notes

	2016 DKK'000	2015 DKK'000
10. Contract work in progress		
Sales value of work performed	147,070	133,224
Billings made	(120,287)	(90,094)
	26,783	**43,130**
The net value is recorded as follows:		
Contract work in progress	31,630	51,000
Prepayments from customers	(4,847)	(7,870)
	26,783	**43,130**

11. Prepayments
Prepayments are made up of prepaid costs relating to personnel expenses as well as support- and maintenance licences.

12. Share capital
Share capital is made up of 25,000 shares at DKK 1,000 nominal value.
The ordinary shares are not divided into classes.
Number of own shares at nominal value 1,000 DKK amounts to 0 units (2014/15: 0 units).
No changes have been registered to the ordinary share portfolio in the past five financial years.

Notes

13. Deferred tax

	2016 DKK'000	2015 DKK'000
Deferred tax regards the following financial statement items:		
Intangible Assets	38,364	22,390
Property, plant and equipment	(1,235)	2,006
Accrued income	(2,313)	(2,969)
Restructuring costs	(1,581)	(101)
Income tax losses carried forward	(28,210)	(22,221)
	5,025	**(895)**
Not recognised amounts	-	250
Carrying value 31 March	**5,025**	**(645)**

	2016 DKK'000	2015 DKK'000
Deferred taxes 1 April 2015	(645)	(376)
Impairment of taxes	(250)	250
Adjustment previous years incl. change in tax percentage	(308)	44
Changes for the year	6,228	(563)
	5,025	**(645)**

14. Deferred Income

Deferred income comprise of accrued profit regarding a 10-year sale-and-lease-back agreement regarding sales of the Company's office building in 2009/10 and other deferred income.

Profit will be recognized in the income statement as follows:

	2016 DKK'000	2015 DKK'000
0-1 year	14,004	17,988
1-5 years	8,641	10,488
	22,645	**28,476**

15. Contingencies and commitments etc.

The Company has signed a irrevocable leasehold agreement ending March 2020. Future lease payment according to the contract are expected to become payable:

	2016 DKK'000	2015 DKK'000
0-1 years	5,456	5,456
1-5 years	16,368	21,824
	21,824	**27,280**

Notes

The Company participates in a Danish joint taxation arrangement in which CSC Danmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

16. Loans and collaterals

The company's cash is part of a joint nordic Cash Pool and used as collateral for the debt to the banks in other Nordic companies

17. Related parties

Related parties with a controlling interest

The following related parties have a controlling interest in CSC Scandihealth A/S:

Name	Municipality of domicile	Basis of influence
CSC Danmark A/S	Copenhagen	Danish parent
Computer Sciences Corporation	Tysons, Virginia, USA	Ultimate parent

Ownership

The following shareholders, who hold minimum 5 % of the votes or minimum 5 % of the nominal value of the share capital, are listed in the Company's register of owners:

CSC Danmark A/S, Copenhagen.

Group ownership

CSC Scandihealth A/S is included in the consolidated financial statements of Computer Sciences Corporation, Tysons, Virginia, USA. The consolidated financial statements for Computer Sciences Corporation is available at www.csc.com/investor_relations/ds/32578-financial-reports.