

Ciklum ApS
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Denmark

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CVR no. 26 76 86 24

Ciklum ApS

Annual report 2015

The annual report was presented and approved at the
Company's annual general meeting

on

chairman

CVR no. 26 76 86 24

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Group chart	6
Financial highlights for the Group	7
Operating review	8
Consolidated financial statements and parent company financial statements 1 January – 31 December	9
Accounting policies	9
Income statement	17
Balance sheet	18
Statement of changes in equity	20
Cash flow statement for the Group	21
Notes	22

Statement by the Board of Directors and the Executive Board

The Executive Board has today discussed and approved the annual report of Ciklum ApS for the financial year 1 January – 31 December 2015.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Copenhagen, 4 August 2016

Executive Board:

Torben Majgaard

James Edward Donaldson

Arne Djernæs Hansen



Independent auditor's report

To the shareholder of Ciklum ApS

Independent auditor's report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Ciklum ApS for the financial year 1 January – 31 December 2015. The consolidated financial statements and the parent company financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of consolidated financial statements and parent company 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 Company'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 evaluating the overall presentation of consolidated financial statements and parent company financial statements.

Independent auditor's report

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter regarding other issues

The Company has not withheld and reported payroll tax and labour market contributions for amounts paid to external consultants hired on terms corresponding to standard employment relations. The matter may be in non-compliance with Danish tax laws and may therefore give rise to liability for the Company's Management.

The Company has not observed the deadline for submission of the annual report for 2015. The matter may give rise to liability for the Company's Management.

SKAT has increased the Company's taxable income in prior years in respect of management fee paid to the shareholder. The management fee paid out may be inconsistent with the dividend rules of the Danish Companies Act. The matter may give rise to liability for the Company's Management.

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 5 August 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Joakim Juul Larsen
State Authorised
Public Accountant

Management's review

Company details

Ciklum ApS
Østerbrogade 125
2100 København
Denmark

Telephone: +45 70 27 80 90
Website: www.ciklum.com

CVR no.: 26 76 86 24
Established: 6 September 2002
Registered office: Copenhagen
Financial year: 1 January – 31 December

Executive Board

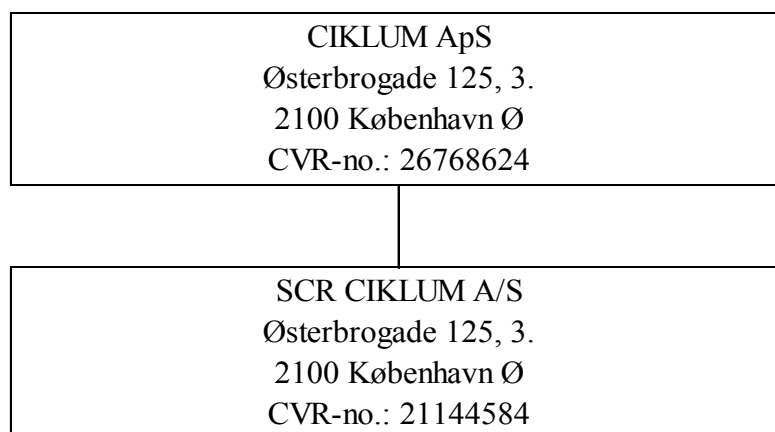
Torben Majgaard
James Edward Donaldson
Arne Djernæs Hansen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2015	2014	2013	2012	2011
Gross profit	14,419	11,344	15,195	8,227	7,359
Ordinary operating profit	5,745	2,576	5,026	3,204	1,529
Profit from financial income and expenses	879	-225	-1,307	1,307	593
Profit/loss for the year	-2,916	1,656	3,718	408	140
Total assets	70,427	56,554	49,976	63,282	63,565
Investments in property	159	149	309	0	46
Equity	11,008	13,924	12,268	10,189	9,781
Return on equity	-23.4%	12.6%	30.3%	4.0%	1.4%
Solvency ratio	15.6%	24.6%	24.5%	16.1%	15.4%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities of the Group

The Group's principal activities are facilitation and servicing of Danish and foreign software companies. The Group supplies the entire infrastructure to its customers, who independently take responsibility for the development of the software.

Development in activities and financial position

In 2015, the Group and the Parent Company realised a loss after tax of DKK 2,916 thousand and a profit before tax of DKK 6,624 thousand. The loss for the year is due to an additional tax payment related to prior years of DKK 7,807 thousand.

Expectations for the coming year

Management expects improved earnings in 2016 and the coming years.

Special risks – operating risks and financial risks

The Group is not exposed to any specific business or financial risks. The Group's main business risks are associated with market developments and the competitive situation in the market.

The clients of the Group primarily operate within the IT sector. Therefore, the Group has no financial challenges besides the ones posed by the financial climate in general.

Intellectual capital

The Group's services are based on the Group's focus on attracting skilled IT staff as well as retaining and developing the Group's key staff.

Environmental matters

The Group's operations do not have a significant impact on the external environment.

Events after the balance sheet date

There have not been any events after the balance sheet date that have any substantial impact on the Group's financial position that have not been incorporated in the financial statements.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

The annual report of Ciklum ApS for 2015 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and parent company financial statements are consistent with those of last year.

Corrections of comparative figures

In 2014, receivables from shareholders and Management were included in receivables from group entities. In the annual report for 2015, receivables from shareholders and Management are presented as a separate line item.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Ciklum ApS, and the subsidiary, SRC Ciklum A/S.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances, dividends, realised and unrealised gains and losses on intra-group transactions are eliminated.

The equity investment in the subsidiary is set off against the proportionate share of the subsidiary's fair value of net assets and liabilities at the date of acquisition.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Income statement

Gross profit

Gross profit includes revenue, cost of materials and consumables as well as other external costs

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Revenue from the sale of services, comprising fees charged for supplying the Company's consultants and infrastructure to its customers' software projects, is recognised in the income statement as the services are provided. Services based on time spent are recognised in revenue as the work is performed.

Cost of raw materials and consumables

Cost of raw materials and consumables includes costs for consumables and costs to consultants employed at affiliated group companies incurred in supplying the company's services.

Other external costs

Other external costs comprise costs related to distribution, sales, bad debt, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, remuneration and emoluments, pensions and other staff costs related to the Company's employees, including the Executive Board.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared. To the extent that the dividends exceed the accumulated earnings after the acquisition date, the dividends are recognised as a reduction of the cost of the equity investment.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Acquired rights are amortised on a straight-line basis over the useful life of the asset which normally is 5 years, but not exceeding 20 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Investments

Equity investments in group entities and associates are measured at cost. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Provisions

Provisions comprise anticipated costs and warranty obligations. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value if the obligation is expected to be settled in the distant future.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise payments relating to increases or reductions in capital and related costs as well as payment of dividends to shareholders and raising and repayment of interest-bearing debt.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Accounting policies

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios have been calculated as follows:

Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

DKK'000	Note	Group		Parent Company	
		2015	2014	2015	2014
Gross profit		14,419	11,344	13,860	8,898
Staff costs	1	-8,035	-7,298	-7,398	-4,474
Depreciation, amortisation and impairment		-639	-1,470	-607	-1,343
Operating profit		5,745	2,576	5,855	3,081
Impairment for write-down of equity investment in the group entity	7	0	0	-83	-192
Other financial income	2	2,370	590	2,010	362
Other financial expenses	3	-1,491	-815	-1,222	-808
Profit/loss before tax		6,624	2,351	6,560	2,443
Tax on profit for the year	4	-9,540	-695	-9,476	-756
Profit/loss for the year		<u>-2,916</u>	<u>1,656</u>	<u>-2,916</u>	<u>1,687</u>
Proposed profit appropriation					
Proposed dividend for the financial year		0	0	0	0
Retained earnings		-2,916	1,656	-2,916	1,687
		<u>-2,916</u>	<u>1,656</u>	<u>-2,916</u>	<u>1,687</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group		Parent Company	
		2015	2014	2015	2014
ASSETS					
Non-current assets					
Intangible assets	5				
Patents, licences and trademarks		1,290	1,651	1,290	1,651
Development projects in progress and prepayments		193	156	193	155
		<u>1,483</u>	<u>1,807</u>	<u>1,483</u>	<u>1,806</u>
Property, plant and equipment	6				
Fixtures and fittings, tools and equipment		238	267	185	207
Leasehold improvements		3	37	3	11
		<u>241</u>	<u>304</u>	<u>188</u>	<u>218</u>
Investments					
Equity investments in group entities	7	0	0	7,207	7,290
		<u>0</u>	<u>0</u>	<u>7,207</u>	<u>7,290</u>
Total non-current assets		<u>1,724</u>	<u>2,111</u>	<u>8,878</u>	<u>9,314</u>
Current assets					
Receivables					
Trade receivables		34,804	26,603	34,134	24,146
Contract work in progress	8	1,407	1,550	1,407	1,550
Receivables from group entities		28,692	22,995	21,667	18,000
Other receivables		138	297	16	13
Prepayments and accrued income	9	320	643	319	637
		<u>65,361</u>	<u>52,088</u>	<u>57,543</u>	<u>44,346</u>
Cash at bank and in hand		<u>3,342</u>	<u>2,355</u>	<u>3,295</u>	<u>924</u>
Total current assets		<u>68,703</u>	<u>54,443</u>	<u>60,838</u>	<u>45,270</u>
TOTAL ASSETS		<u>70,427</u>	<u>56,554</u>	<u>69,716</u>	<u>54,584</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group		Parent Company	
		2015	2014	2015	2014
EQUITY AND LIABILITIES					
Equity					
Share capital	10	1,700	1,700	1,700	1,700
Retained earnings		9,308	12,224	9,308	12,224
Proposed dividends for the financial year		0	0	0	0
Total equity		11,008	13,924	11,008	13,924
Provisions					
Provisions for deferred tax	11	285	240	293	252
Total provisions		285	240	293	252
Liabilities other than provisions					
Non-current liabilities other than provisions					
Other payables	12	0	420	0	420
		0	420	0	420
Current liabilities other than provisions					
Bank loans		761	10,359	761	10,358
Prepayments received from customers	8	27,019	16,154	27,019	16,154
Payables to group entities		2,777	3,358	1,969	1,668
Trade payables		641	408	791	258
Corporation tax		9,623	571	9,562	725
Other payables	13	16,167	9,300	16,167	9,005
Deferred income	14	2,146	1,820	2,146	1,820
		59,134	41,970	58,415	39,988
Total liabilities other than provisions		59,134	42,390	58,415	40,408
TOTAL EQUITY AND LIABILITIES		70,427	56,554	69,716	54,584
Contractual obligations, contingencies, etc.	15				
Mortgages and collateral	16				
Related parties	17				

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Group			
	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2015	1,700	12,224	0	13,924
Transferred over the profit appropriation	0	-2,916	0	-2,916
Equity at 31 December 2015	<u>1,700</u>	<u>9,308</u>	<u>0</u>	<u>11,008</u>

DKK'000	Parent Company			
	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2015	1,700	12,224	0	13,924
Transferred over the profit appropriation	0	-2,916	0	-2,916
Equity at 31 December 2015	<u>1,700</u>	<u>9,308</u>	<u>0</u>	<u>11,008</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement for the Group

DKK'000	Note	2015	2014
Profit/loss for the year		-2,916	1,656
Reversal of depreciation for the year		639	1,278
Tax refund		9,540	695
Corporation tax paid		-499	-435
Changes in receivables	18	-13,273	-12,761
Changes in short-term liabilities (other than bank, tax and dividends)	19	17,710	7,487
Other operating activity cash flows		-403	50
Cash flows from operating activities		10,798	-2,030
Acquisition of intangible assets		-54	-367
Acquisition of property, plant and equipment		-159	-124
Disposal of property, plant and equipment		0	60
Acquisition of financial assets		0	-2,482
Disposal of financial assets		0	173
Cash flows from investing activities		-213	-2,740
Changes in cash flows		10,585	-4,770
Cash flows 1 January		-8,004	-3,234
Cash flows 31 December		2,581	-8,004
Cash at 31 December, specification:			
Cash and bank in hand		3,342	2,355
Debt to financial institutions		-761	-10,359
Cash and cash equivalents at year end		2,581	-8,004

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

	Group		Parent Company	
	2015	2014	2015	2014
DKK'000				
1 Staff costs				
Wages and salaries	7,925	6,772	7,354	4,396
Pensions	70	473	21	53
Other social security costs	40	53	23	25
	<u>8,035</u>	<u>7,298</u>	<u>7,398</u>	<u>4,474</u>
Average number of full-time employees	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>
Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b(3)(ii) of the Danish Financial Statements Act.				
2 Other financial income				
Interest income from group entities	629	131	269	131
Other interest income	<u>1,741</u>	<u>459</u>	<u>1,741</u>	<u>231</u>
	<u>2,370</u>	<u>590</u>	<u>2,010</u>	<u>362</u>
3 Other financial expenses				
Interest expense to the group entity	24	0	24	14
Other interest expense	<u>1,467</u>	<u>815</u>	<u>1,198</u>	<u>794</u>
	<u>1,491</u>	<u>815</u>	<u>1,222</u>	<u>808</u>
4 Tax on profit/loss for the year				
Current tax for the year	1,688	722	1,628	778
Deferred tax adjustment for the year	45	-4	41	-4
Adjustment in tax, prior years	<u>7,807</u>	<u>-23</u>	<u>7,807</u>	<u>-18</u>
	<u>9,540</u>	<u>695</u>	<u>9,476</u>	<u>756</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

5 Intangible assets

	Group and Parent Company		
	Patents, licences and trademarks	Development projects in progress and prepayments	Total
DKK'000			
Cost at 1 January 2015	2,163	156	2,319
Additions	16	37	53
Cost at 31 December 2015	2,179	193	2,372
Amortisation at 1 January 2015	-511	0	-511
Amortisation	-378	0	-378
Amortisation at 31 December 2015	-889	0	-889
Carrying amount at 31 December 2015	1,290	193	1,483

6 Property, plant and equipment

	Group		
	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
DKK'000			
Cost at 1 January 2015	176	1,246	1,422
Additions	0	159	159
Cost at 31 December 2015	176	1,405	1,581
Depreciation at 1 January 2015	-139	-979	-1,118
Depreciation	-34	-188	-222
Depreciation at 31 December 2015	-173	-1,167	-1,340
Carrying amount at 31 December 2015	3	238	241

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

6 Property, plant and equipment (continue)

	Parent Company		
	Leasehold improvements	Fixtures and fittings, tools and equipment	Total
DKK'000			
Cost at 1 January 2015	65	766	831
Additions	0	159	159
Cost at 31 December 2015	65	925	990
Depreciation at 1 January 2015	-54	-559	-613
Depreciation	-8	-181	-189
Depreciation at 31 December 2015	-62	-740	-802
Carrying amount at 31 December 2015	3	185	188

7 Equity investments in group entities

	Parent Company	
	2015	2014
DKK'000		
Cost at 1 January	7,483	5,000
Additions	0	2,483
Cost at 31 December	7,483	7,483
Impairment losses at 1 January	-193	0
Impairment losses for the year	-83	-193
Impairment losses at 31 December	-276	-193
Carrying amount at 31 December	7,207	7,290

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Loss for the year
SCR CIKLUM A/S, CVR no.: 21 14 45 84	Copenhagen	100%	DKK'000 7,207	DKK'000 -83

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group		Parent Company	
	2015	2014	2015	2014
8 Contract work in progress				
Selling price of work performed	1,407	1,550	1,407	1,550
Progress billings	-27,019	-16,154	-27,019	-16,154
	<u>-25,612</u>	<u>-14,604</u>	<u>-25,612</u>	<u>-14,604</u>
recognised as follows:				
Contract work in progress (assets)	1,407	1,550	1,407	1,550
Contract work in progress (liabilities)	-27,019	-16,154	-27,019	-16,154
	<u>-25,612</u>	<u>-14,604</u>	<u>-25,612</u>	<u>-14,604</u>

9 Prepayments

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

10 Share Capital

The share capital consists of 1,700,000 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group		Parent Company	
	2015	2014	2015	2014
11 Deferred tax				
Deferred tax at 1 January	240	243	252	255
Deferred tax adjustment for the year	45	-3	41	-3
	<u>285</u>	<u>240</u>	<u>293</u>	<u>252</u>

12 Non-current liabilities other than provisions

DKK'000	Total debt at 1/1 2015	Total debt at 31/12 2015	Outstanding debt after 5 years
Other payables	420	0	0
	<u>420</u>	<u>0</u>	<u>0</u>

DKK'000	Group		Parent Company	
	2015	2014	2015	2014
13 Other payables				
VAT	15,363	8,068	15,484	8,091
Payroll	338	752	217	459
Other payables	466	480	466	455
	<u>16,167</u>	<u>9,300</u>	<u>16,167</u>	<u>9,005</u>

14 Deferred income

Deferred income of DKK 2,146 thousand (2014: DKK 1,820 thousand) comprise payments received from customers that cannot be recognised until the subsequent financial year.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

15 Contractual obligations, contingencies, etc.

Contingent liabilities

Ciklum ApS is a party to pending lawsuits. In Management's opinion, apart from the liabilities recognised in the balance sheet at 31 December 2015, the outcome of these lawsuits will not affect the Group's financial position.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 473 thousand within 6 months (2014: DKK 896 thousand).

16 Mortgages and collateral

As security for Ciklum ApS' credit facilities from Jyske Bank A/S, Ciklum ApS has issued a letter of indemnity for a maximum of DKK 16,000 thousand for the mortgage on the Company's goodwill, domain names and rights and unsecured claims arising from the sale of goods and services.

17 Related party disclosures

Ciklum ApS' related parties with significant influence comprise the following:

CEO Torben Majgaard, Kiev Ukraine, is the majority shareholder in the Ciklum Group through his ownership of the ultimate owner of the Group, Majgaard Holding Ltd.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

	Group	
	2015	2014
DKK'000		
18 Changes in working capital		
Trade receivables	-8,201	-10,645
Contract work in progress	143	281
Receivables from group entities	-5,697	-1,778
Other receivables	159	-89
Prepayments and accrued income	323	-530
	<u>-13,273</u>	<u>-12,761</u>
19 Changes in short-term liabilities		
Prepayments received from customers	10,865	16,154
Trade payables	-581	-940
Payables to group entities	233	-7,559
Other payable	6,867	231
Deferred income	326	-399
	<u>17,710</u>	<u>7,487</u>