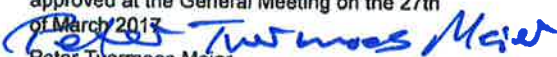


Bluegarden Holding A/S

Annual Report 2016

CVR 27 22 60 27
Lautrupbjerg 6
2750 Ballerup

The Annual Report was presented and
approved at the General Meeting on the 27th
of March 2017


Peter Tvermoes Meier
Chairman of the meeting

Peter

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Management statement on the Annual Report

The Board of Directors and the management have today considered and approved the annual report for 2016 for Bluegarden Holding A/S. The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the company's assets and liabilities, the financial position at 31. December 2016 and the result of the activities of the company. Further it is our opinion that the Management report gives a true and fair view of developments in the activities included in the Management report.

We recommend that the annual report to be adopted by the shareholders at the annual general meeting.

Ballerup, 24th of March 2017

Management


Mogens Munkholm, Elsberg


Per Hviid

Board of Directors

Shawn Allister McMorran
Chairman


Andreas Schulte

Jan-Olivier Fillols
Vice chairman


Hanne Gudik-Sørensen

Robb Curtis Warwick


Ercan Zülal

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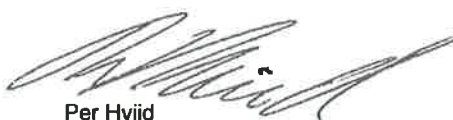
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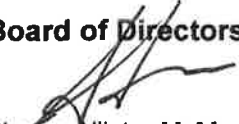
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Management


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Per Hviid

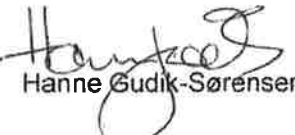
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Vice chairman

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Ercan Zülal

Independent auditor's report

To the shareholder of Bluegarden Holding A/S

Opinion

We have audited the financial statements of Bluegarden Holding A/S for the financial year 1. January - 31. December 2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31. December 2016 and of the results of its operations for the financial year 1. January - 31. December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

- Continued

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

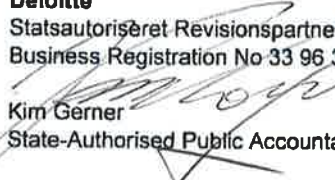
In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 24th of March 2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56


Kim Gerner
State-Authorised Public Accountant

Company information

The company

Bluegarden Holding A/S
Lautrupbjerg 6
2750 Ballerup

Phone: +45 72 27 90 00
Fax: +45 72 27 90 99
Homepage: www.bluegarden.com

CVR 27 22 60 27
Accounting period: 1. January - 31. December
Location: Ballerup

Board of Directors

Shawn Allister McMorran, Chairman
Jan-Olivier Fillols, Vice chairman
Robb Curtis Warwick
Andreas Schulte
Hanne Gudik-Sørensen
Ercan Zülal
Laila Bruun Dürr

Management

Mogens Munkholm Elsberg
Per Hviid

Audit company

Deloitte
Statsautoriseret Revisionspartnerselskab

Management report

Primary activities

The company's main activity is to hold shares in the Bluegarden Group as well as providing services to Bluegarden AS (Norway) in respect to HR Analyse.

Bluegarden Holding A/S is parent to the following group subsidiaries (together the Group):

- Bluegarden A/S, Denmark
- Bluegarden AS, Norway
- Bluegarden AB, Sweden
 - Medvind Informationsteknik AB, Sweden

Medvind Informationsteknik AB was on 30 December 2016 acquired by Bluegarden AB. Medvind Informationsteknik AB is a market-leading supplier of IT systems for human resource planning and time & resource management.

Development in activities and finances in 2016

The company realised operating result of -8.0 MDKK, compared to a loss of -9.5 MDKK in 2015. The result from subsidiaries was positive 95.2 MDKK (2015: 1.3 MDKK). All three operating subsidiaries have a positive result in 2016.

Profit before tax stands at 80.7 MDKK (2015: -16.5 MDKK). The income tax for the period is positive with 3.1 MDKK. The tax calculated concerns the Danish companies in the joint taxation.

Profit of the year was 83.8 MDKK and the dividend is proposed to be 45 MDKK.

Uncertainty relating to recognition and measurement

At 31 December 2016, goodwill from the acquisitions of the Bluegarden Group in 2015 amounted to DKK 67,4m, and it was tested for impairment at this date. Due to the nature of business activities, expected cash flows need to be estimated many years ahead. Local management, Group Management and the Board of Directors have approved the budget for 2017 and the forecast for 2018. They include the effect of plans intended to ensure growth and efficiency improvement in the years ahead, including verification of the value of the Norwegian subsidiary's tax asset.

Obviously, the budgets and forecasts forming the basis of the discounted cash flow calculations applied in the impairment tests are subject to uncertainty. A discount rate of 9.1% (2015: 9.1%) has been used in the calculations.

The impairment test of the assets mentioned did not give rise to any write-downs.

Management report

Outlook for 2017

A cautious assessment has been made of market conditions for 2017. The Bluegarden Group expects to realise growth above 5% in 2017 primarily attributable to customer businesses' demand for business process outsourcing services and process-supporting tools.

An improved pre-tax profit margin (1% - 2%) in the Bluegarden Group is expected for 2017. Expectations are that the generation of earnings will improve because of continued focus on improving efficiency in 2017. The assumed revenue growth will also contribute positively.

Negative market developments compared to the expected scenario or failure to realise revenue growth or reductions in costs will have an adverse impact on expected growth and earnings performance.

Subsequent events

On 15 March 2017, Visma Danmark Holding A/S signed an agreement to acquire all shares in Team Siri Holding ApS, who owns the Bluegarden Group. The transaction will be closed when the Competition Authorities have approved it.

Besides the above, no other events have occurred since the balance sheet date that would materially influence the evaluation of this annual report.

Income statement 1. January - 31. December 2016

	Note	2016 TDKK	2015 TDKK
Revenue	1	7.614	7.289
Cost of sales	2	(3.302)	-
Gross profit		4.312	7.289
Research and development costs	2	(11.174)	(10.644)
Administrative expenses	2	(1.127)	(6.117)
Profit from operations		(7.988)	(9.472)
Share of profit after tax in subsidiaries	4	95.170	1.300
Financial income	5	1.395	2.812
Financial expenses	6	(7.854)	(11.090)
Profit before tax		80.722	(16.450)
Tax on profit for the year	7	3.105	4.138
Profit for the year		83.827	(12.312)
Proposed distribution of profit			
Dividend		45.000	-
Transferred to retained earnings		38.827	(12.312)
		83.827	(12.312)

Balance sheet 31. December 2016

	Note	2016 TDKK	2015 TDKK
Investment in subsidiaries	8	292.796	287.695
Financial assets		292.796	287.695
Total fixed assets		292.796	287.695
Receivables at affiliated companies		28.995	16.355
Other receivables		53	-
Receivables joint tax contribution		-	11.016
Income tax receivable	7	2.694	-
Prepayments		3.076	3.086
Receivables		34.818	30.456
Cash		4.262	4.332
Total current assets		39.080	34.788
Total assets		331.876	322.483

Balance sheet 31. December 2016

	Note	2016 TDKK	2015 TDKK
Share capital		19.500	19.500
Retained earnings		71.326	32.007
Proposed dividend for the financial year		45.000	-
Equity		135.826	51.507
Deferred tax	9	-	-
Total provisions		-	-
Trade payables		400	568
Payables to affiliated companies		195.647	264.533
Income tax	7	-	3.546
Other payables		3	2.329
Short term liabilities		196.050	270.976
Total liabilities other than provisions		196.050	270.976
Total equity, provisions and liabilities		331.876	322.483
Significant accounting estimates and judgements	3		
Contingent liabilities and other financial	10		
Related parties and ownership	11		

Statement of changes in equity

Equity

TDKK	Share capital	Retained earnings	Proposed dividend	Total
Equity 1. January 2015	19.500	44.719		64.219
Dividend paid				-
Exchange adjustment, foreign affiliates		(712)		(712)
Adjustment of hedge instruments at fair value at year end		312		312
Profit for the year		(12.312)		(12.312)
Equity 1. January 2016	19.500	32.007	-	51.507
Dividend paid				-
Foreign exchange adjustment		492		492
Profit for the year		38.827	45.000	83.827
Equity 31. December 2016	19.500	71.326	45.000	135.826

Notes

	2016	2015
	TDKK	TDKK
1 Revenue		
Revenue allocation by country		
Denmark	-	-
Sweden and Norway	7.614	7.289
	<u>7.614</u>	<u>7.289</u>
Revenue by		
Salary	-	-
Other	7.614	7.289
	<u>7.614</u>	<u>7.289</u>
2 Staff costs		
Wages and salaries	3.074	903
Pensions	-	-
Social security costs	-	-
	<u>3.074</u>	<u>903</u>
This		
Fee to Management and Board of Directors	1.489	798
Wages, salaries, research and development costs and administration costs		
Research and development costs	-	-
Administration costs	3.074	903
	<u>3.074</u>	<u>903</u>
Average number of employees	0	0

3 Significant

When preparing the annual report, management may be required to make estimates as many financial statement items cannot be measured with certainty. Such estimates comprise assessments based on the latest information available at the time of financial reporting. It may be necessary to change previous estimates because of changes in the factors underlying the estimate. Also, the value of assets and liabilities often depends on future events that are subject to some uncertainty. When making the determination, Management's assessment of the most likely outcome is used as a basis, however, such outcome is inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. Furthermore, the Company is exposed to normal business risks and uncertainties that may cause actual results to vary from those estimates.

Consequently, the budgets and forecasts forming the basis of the discounted cash flow calculations applied in the impairment tests of goodwill are subject to uncertainty. Changes in a downward direction in the assumptions underlying the impairment tests may lead to an indication of impairment of goodwill or proprietary software at a later point in time.

Notes

Goodwill

A review for impairment of recognised consolidated goodwill amounts requires a calculation of the values in use of the cash-generating units to which the goodwill amounts relate. The determination of the value in use requires an estimate of the expected future cash flows as well as determination of a fair discount rate. Due to the nature of the business, estimates are made of cash flows for many years ahead, which inherently results in some uncertainty. The budget for 2017 and the forecast for 2018 have been approved by local management bodies and Group management. They include the effect of plans intended to ensure growth and efficiency improvement in the years ahead. The principal parameters used to determine the value of the Norwegian and Swedish subsidiaries are a discount rate of 9.1% (2015: 9.1%) and a long-term growth rate of 2% (2015: 2%).

The calculations made did not give rise to write-down of the carrying amount of goodwill.

	<u>2016</u>	<u>2015</u>
	TDKK	TDKK
4 Income from investment in subsidiaries		
Share of profit after tax in subsidiaries	106.399	12.529
Amortisation of goodwill	<u>(11.229)</u>	<u>(11.229)</u>
	95.170	1.300
5 Financial		
Interest income from affiliated companies	797	1.416
Other financial income	-	244
Foreign exchange gain	<u>598</u>	<u>1.152</u>
	1.395	2.812
6 Financial		
Interest expenses to affiliated companies	7.470	9.672
Other financial expenses	10	644
Foreign exchange loss	<u>374</u>	<u>774</u>
	7.854	11.090
7 Tax on profit for the year		
Tax for the period	(3.178)	(470)
Change in deferred tax	-	(3.658)
Prior year adjustment, tax payable	73	16
Prior year adjustment, deferred tax	<u>-</u>	<u>(26)</u>
	(3.105)	(4.138)
Tax payable:		
Tax payable 1. January	(3.546)	(4.057)
Tax paid during the year	9.902	11.244
Tax for the period and previous years	<u>(3.662)</u>	<u>(10.733)</u>
	2.694	(3.546)
Tax paid during the year	<u>9.902</u>	<u>11.244</u>

Notes

8 Investment in subsidiaries	2016	2015
	TDKK	TDKK
Cost 1. January	767.940	727.485
Addition	29.439	40.455
Cost 31. December	797.379	767.940
Value adjustment 1. January	(480.245)	(401.145)
Foreign exchange adjustment	492	(712)
Adjustment of hedge instruments at fair value at year end	-	312
Result of the year	106.399	12.529
Dividend	(120.000)	(80.000)
Amortisation goodwill	(11.229)	(11.229)
Value adjustment 31. December	(504.583)	(480.245)
Carrying amount at 31. December	292.796	287.695

The remaining goodwill value is 67,4 MDKK yet to be amortized.

The

Name	Registered office	Share capital	Ownership interest	Currency	Equity	Result for the year
Bluegarden A/S	Ballerup, Denmark	10,0 MDKK	100%	TDKK	124,8	79,7
Bluegarden AS	Oslo, Norway	13,9 MNOK	100%	TNOK	130,0	32,6
Bluegarden AB	Stockholm, Sweden	0,4 MSEK	100%	TSEK	85,5	3,6
- Medvind AB	Stockholm, Sweden	0,3 MSEK	100%	TSEK	3,7	-

9 Deferred tax	2016	2015
	TDKK	TDKK
Deferred tax at 1. January	-	3.684
Foreign exchange adjustment	-	-
Change in	-	(3.658)
Prior year adjustment, deferred tax	-	(26)
Adjustment of the tax rate	-	-
Deferred tax at 31. December	-	-

10 Contingent liabilities and other financial obligations

There are no leases obligations for the parent company.

Bluegarden Holding A/S is jointly liable for the Group's loan and credit facilities together with the parent companies Team Siri Holding ApS and Team Siri ApS. The total debt as per 31. December 2016 amounted to 254 MDKK.

Bluegarden Holding A/S has issued financial guarantees for a number of customers in the subsidiaries.

Bluegarden Holding A/S is jointly liable for VAT and other public charges together with the common registered group companies. Since 2013 the company is liable for income tax for the companies within the joint taxation and since 1. July 2012 for possible obligations to withhold tax on interest, royalties and dividend.

As part of the Senior Facility Agreement with the banks the shares in Bluegarden Holding and the subsidiaries have been pledged together with tangible assets, debtors and inventory in Bluegarden AS, Norway.

Notes

11 Related parties and ownership

Controlling interest and ownership

The shares in Bluegarden Holding A/S are owned by Team Siri Aps, and the ultimate owner is Marlin Ultimate GP, LLC (USA)

Other related parties

Other related parties are the subsidiaries within the Bluegarden Group and the parent companies Team Siri ApS and Team Siri Holding ApS.

12 Subsequent events

On 15 March 2017, Visma Danmark Holding A/S signed an agreement to acquire all shares in Team Siri Holding ApS, who owns the Bluegarden Group. The transaction will be closed when the Competition Authorities have approved it.

Besides the above, no other events have occurred since the balance sheet date that would materially influence the evaluation of this annual report.

Notes

12 Accounting policies

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

The accounting policies applied are consistent with those applied last year. The income statement is presented according to the functional structure as in previous years, however research and development costs are now shown separately to improve transparency. Comparison figures have been adjusted.

Referring to section 112(1) of the Danish Financial Statement Act the Company has not prepared consolidated financial statements.

Cash flow statement is not included with reference to the Danish Financial Statement Act § 86, point 4. The cash flow statement for the Group is included in the Annual report for Team Siri Holding ApS.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when the Group 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 Group, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

Business combinations

Newly acquired enterprises are recognised from the time of acquisition. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied in the acquisition of new enterprises, under which identifiable assets and liabilities of these newly acquired enterprises are measured at fair value at the acquisition date. On acquisition, provisions are made for costs relating to decided and published restructuring of the acquired enterprise. Allowance is made for the tax effect of the restatements made.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities acquired are recognised under intangible assets, and they are amortised systematically in the income statement based on an individual assessment of their useful lives, however, no more than 20 years. Negative differences in amount (negative goodwill), equalling an estimated adverse development of the relevant enterprises, are recognised in the balance sheet separately as deferred income, and in the income statement as such adverse development is realised.

Profit/loss from fixed asset divestments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, respectively, including any non-amortised goodwill and estimated selling or winding-up expenses.

Notes

12 Accounting policies, continued

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries, their income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost, subsequently at fair value. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial statements classified as and complying with the requirements for hedging future transactions are taken directly to equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not qualify as hedging instruments, changes in fair market value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost.

Research and development costs

Research and development costs comprise salaries, other staff related costs, external consultancy costs as well as amortisation of development costs capitalised and other costs directly and indirectly attributable to the research and development activities.

Research and development costs are expensed in the year in which they incurred when they do not qualify for capitalisation.

Sales and distribution costs

Sales and distribution costs consist include sales commission, salaries, marketing, amortisation and depreciation and a share of indirect costs. Amortization of goodwill is allocated to sales and distribution costs.

Administrative expenses

Administrative expenses consist of expenses related to the Group's administrative functions, including salaries, amortisation and depreciation and a share of indirect costs.

Notes

12 Accounting policies, continued

Profit/loss from investments in group enterprises

The proportionate share of the individual group enterprises' profit/loss after full elimination of intra-group profits/losses less or plus amortisation on consolidated goodwill or negative goodwill is recognised in the Parent's income statement.

Financial income and expenses

These items comprise interest income and interest expenses, realised and unrealised gains and losses from foreign currency transactions as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

Tax on profit/loss for the year

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

The company is part of the joint taxation arrangement with Team Siri Holding ApS as the administration company. The current Danish income tax is allocated among the jointly taxed companies proportionately to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in subsidiaries

Investments in group enterprises are measured according to the equity method.

In the balance sheet, investments in group enterprises are measured at the proportionate share of the enterprises' equity value calculated applying the Parent's accounting policies less or plus unrealised intra-group profits/losses and non-amortised consolidated goodwill.

Group enterprises with a negative equity value are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds receivables, the remaining amount is recognised in provisions in so far as the Parent has a legal or constructive obligation to cover the negative balance of the enterprise.

Net revaluation of investments in group enterprises is taken to Reserve for net revaluation according to the equity method insofar as the carrying amount exceeds cost.

The purchase method is used in the acquisition of investments in subsidiaries.

Receivables

Receivables are measured at amortised cost, usually equalling the nominal amount. Write-down for bad and doubtful debts is made based on an assessment of the individual receivables.

Prepayments

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

Provisions

Provisions for pension obligations cover pension obligations of some of the Group's foreign subsidiaries.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Notes

12 Accounting policies, continued

Deferred tax assets and liabilities

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

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect according to law at the balance sheet date when the deferred tax is estimated to crystallise as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carried forward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Danish companies are jointly taxed and the Danish parent company is the management company. The current Danish corporation tax is divided between the companies in proportion to their taxable income (full allocation with refunds for tax losses).

Current tax receivables and tax liabilities

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income that has been adjusted for prepaid tax.

Financial liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions and are measured, at the time of inception of the lease, at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between the present value and the nominal value of the lease payments is recognised in the income statement as a financial expense.

Other liabilities are measured at amortised cost, usually equalling the nominal amount.

Prepayments received

Prepayment received include payments received relating to income in subsequent financial years. Such items are measured at cost.

Dividend

Dividends are recognised as a liability at the time of adoption at the general meeting. Proposed dividends for the financial year are disclosed as a separate item in equity