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**BELLINGER A/S**  
**BRUNBJERGVEJ 9B, 8240 RISSKOV**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2021**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 7 April 2022**

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**Malene Diederichsen**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 29 50 98 40**

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**COMPANY DETAILS**

<b>Company</b>	BELLINGER A/S Brunbjergvej 9B 8240 Risskov  CVR No.: 29 50 98 40 Established: 1 January 2006 Registered Office: Risskov Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Claus Bellinger Diederichsen Jakob Stubkjær Talbo Mads Pauli Ringkjøbing-Christiansen, chairman
<b>Executive Board</b>	Malene Diederichsen
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
<b>Bank</b>	Sparekassen Kronjylland Vestergade 11 8000 Aarhus C
<b>Law Firm</b>	Gorrissen Federspiel Silkeborgvej 2 8000 Aarhus C

## BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of BELLINGER A/S for the financial year 1 January - 31 December 2021.

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 assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Risskov, 28 March 2022

Executive Board

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Malene Diederichsen

Board of Directors

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Claus Bellinger Diederichsen

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Jakob Stubkjær Talbo

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Mads Pauli Ringkjøbing-  
Christiansen  
Chairman

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of BELLINGER A/S

#### Opinion

We have audited the Financial Statements of BELLINGER A/S for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.

## INDEPENDENT AUDITOR'S REPORT

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that 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 Management Commentary.

Aarhus, 28 March 2022

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Klaus Tvede-Jensen  
State Authorised Public Accountant  
MNE no. mne23304

## MANAGEMENT COMMENTARY

### **Principal activities**

The principal activities comprise design, production and wholesale enterprise within eyewear and eyewear accessories with sales to the retail trade.

### **Development in activities and financial and economic position**

The result for the year shows a profit of tDKK 1.608. The resultat for 2021 met the expectations, and the Management considers the resultat satisfactory.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the Company's financial position.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	2021 DKK	2020 DKK
<b>GROSS PROFIT</b> .....		<b>14.656.495</b>	<b>6.727.341</b>
Staff costs.....	1	-11.453.195	-12.100.500
Depreciation, amortisation and impairment losses.....		-170.942	-231.277
<b>OPERATING PROFIT</b> .....		<b>3.032.358</b>	<b>-5.604.436</b>
Result of equity investments in group enterprises.....		109.998	-72.171
Other financial income.....		41.290	8.600
Other financial expenses.....		-1.575.902	-1.348.332
<b>PROFIT BEFORE TAX</b> .....		<b>1.607.744</b>	<b>-7.016.339</b>
Tax on profit/loss for the year.....		0	0
<b>PROFIT FOR THE YEAR</b> .....		<b>1.607.744</b>	<b>-7.016.339</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Allocation to reserve for net revaluation under the equity method.....		137.602	90.841
Retained earnings.....		1.470.142	-7.107.180
<b>TOTAL</b> .....		<b>1.607.744</b>	<b>-7.016.339</b>



## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Development projects completed.....		0	12.250
Development projects in progress.....		52.728	0
<b>Intangible assets.....</b>	<b>2</b>	<b>52.728</b>	<b>12.250</b>
Other plant, machinery tools and equipment.....		316.035	214.660
<b>Property, plant and equipment.....</b>	<b>3</b>	<b>316.035</b>	<b>214.660</b>
Equity investments in group enterprises.....		466.119	315.318
Rent deposit.....		960.000	960.000
<b>Financial non-current assets.....</b>	<b>4</b>	<b>1.426.119</b>	<b>1.275.318</b>
<b>NON-CURRENT ASSETS.....</b>		<b>1.794.882</b>	<b>1.502.228</b>
Finished goods and goods for resale.....		16.914.285	15.744.901
Prepayments.....		282.970	0
<b>Inventories.....</b>		<b>17.197.255</b>	<b>15.744.901</b>
Trade receivables.....		7.679.289	8.047.949
Deferred tax assets.....		4.975.000	4.975.000
Other receivables.....		1.184.077	946.947
Prepayments.....		490.446	324.958
<b>Receivables.....</b>		<b>14.328.812</b>	<b>14.294.854</b>
<b>Cash and cash equivalents.....</b>		<b>179.502</b>	<b>209.693</b>
<b>CURRENT ASSETS.....</b>		<b>31.705.569</b>	<b>30.249.448</b>
<b>ASSETS.....</b>		<b>33.500.451</b>	<b>31.751.676</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Share capital.....		513.914	513.914
Reserve for net revaluation under the equity method.....		149.793	252.917
Reserve for development costs.....		41.128	9.557
Fair value reserve, currency translation of foreign entities.....		0	-15.918
Retained earnings.....		0	-1.675.366
<b>EQUITY.....</b>		<b>704.835</b>	<b>-914.896</b>
Provisions for equity investments in group enterpr.....		206.534	178.931
<b>PROVISIONS.....</b>		<b>206.534</b>	<b>178.931</b>
Subordinate loan capital.....		1.000.000	1.000.000
Other bank debt.....		1.667.470	2.263.426
Bank loan.....		1.806.875	2.306.875
Other non-current liabilities.....		634.871	0
Frozen holiday pay.....		594.746	991.730
<b>Non-current liabilities.....</b>	<b>5</b>	<b>5.703.962</b>	<b>6.562.031</b>
Other bank debt.....		582.200	529.120
Bank debt.....		13.791.643	13.734.659
Payables to other credit institutions.....		2.009.712	1.663.224
Trade payables.....		3.386.780	3.343.967
Debt to Group companies.....		839.180	610.059
Debt to associated enterprises.....		3.627.436	3.522.436
Other liabilities.....		2.648.169	2.522.145
<b>Current liabilities.....</b>		<b>26.885.120</b>	<b>25.925.610</b>
<b>LIABILITIES.....</b>		<b>32.589.082</b>	<b>32.487.641</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>33.500.451</b>	<b>31.751.676</b>
Contingencies etc.	6		
Charges and securities	7		

## EQUITY

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Fair value reserve, currency translation of foreign entities	Retained earnings	Total
Equity at 1 January 2021.....	513.914	252.917	9.557	-15.918	-1.676.579	-916.109
Proposed profit allocation...		137.602			1.470.142	1.607.744
<b>Other legal bindings</b>						
Capitalized development costs.....			41.128		-41.128	0
Foreign exchange adjustments.....		13.200				13.200
Revaluations in the year.....			-9.557		-6.361	-15.918
<b>Allowed equalization</b>						
Allowed equalization.....		-253.926			253.926	0
<b>Other regulations</b>						
Realised in the year.....				15.918		15.918
<b>Equity at 31 December 2021.....</b>	<b>513.914</b>	<b>149.793</b>	<b>41.128</b>	<b>0</b>	<b>0</b>	<b>704.835</b>

## NOTES

	2021 DKK	2020 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees	23	26	
Wages and salaries.....	11.099.372	11.892.319	
Pensions.....	796.728	871.759	
Social security costs.....	402.386	179.826	
Other staff costs.....	279.803	242.814	
Staff costs classified as assets.....	-1.125.094	-1.086.218	
	<b>11.453.195</b>	<b>12.100.500</b>	
 <b>Intangible assets</b>			 <b>2</b>
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 January 2021.....	871.038	0	
Additions.....	0	52.728	
<b>Cost at 31 December 2021.....</b>	<b>871.038</b>	<b>52.728</b>	
Amortisation at 1 January 2021.....	858.788	0	
Amortisation for the year.....	12.250	0	
<b>Amortisation at 31 December 2021.....</b>	<b>871.038</b>	<b>0</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>0</b>	<b>52.728</b>	

Completed development projects comprise development and test of new functions for the Company's web-based dealer shop. The system is amortised over three years. The dealer shop is used for taking orders directly from agents and opticians all over the world and thus contributes positively to the Company's contribution margin.

Development projects in progress comprise development and test of new functions for the Company's web-based dealer shop. The Management expects the project to be completed in 2021. Management has high expectations for the application and has not identified any indication of impairment of the carrying amount.

## NOTES

		Note		
<b>Property, plant and equipment</b>		<b>3</b>		
	Other plant, machinery tools and equipment			
Cost at 1 January 2021.....	2.109.573			
Additions.....	260.065			
<b>Cost at 31 December 2021.....</b>	<b>2.369.638</b>			
Depreciation and impairment losses at 1 January 2021.....	1.894.913			
Depreciation for the year.....	158.690			
<b>Depreciation and impairment losses at 31 December 2021.....</b>	<b>2.053.603</b>			
<b>Carrying amount at 31 December 2021.....</b>	<b>316.035</b>			
<b>Financial non-current assets</b>		<b>4</b>		
	Equity investments in group enterprises	Rent deposit and other receivables		
Cost at 1 January 2021.....	62.400	960.000		
<b>Cost at 31 December 2021.....</b>	<b>62.400</b>	<b>960.000</b>		
Revaluation at 1 January 2021.....	252.918	0		
Exchange adjustment.....	13.200	0		
Revaluation and impairment losses for the year.....	109.998	0		
Investments with negative equity value transferred to provisions.....	27.603	0		
<b>Revaluation at 31 December 2021.....</b>	<b>403.719</b>	<b>0</b>		
<b>Carrying amount at 31 December 2021.....</b>	<b>466.119</b>	<b>960.000</b>		
<b>Long-term liabilities</b>		<b>5</b>		
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Subordinate loan capital.....	1.000.000	0	1.000.000	1.000.000
Other bank debt.....	2.249.670	582.200	0	2.792.546
Bank loan.....	2.306.875	500.000	0	2.768.250
Other non-current liabilities.....	634.871	0	0	0
Frozen holiday pay.....	594.746	0	594.746	991.730
	<b>6.786.162</b>	<b>1.082.200</b>	<b>1.594.746</b>	<b>7.552.526</b>

**NOTES****Note****Contingencies etc.****6****Contingent liabilities****Operational lease**

The company has entered into lease contracts with a residual term of up to 20 months with a total residual lease payment of tDKK 242.

**Rent obligations**

The company has entered into rent commitments, which at the balance sheet date amount to tDKK 5.169 during the period of notice, which latest expires on december 31st 2024.

**Joint liabilities**

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the Balance Sheet date.

**Charges and securities****7**

The company has issued a floating charge to the company's bank capped at tDKK 15.000 in unsecured claims, inventories, machinery, goodwill, etc.

The company has issued a floating charge to Vækstfonden capped at tDKK 3.000 in unsecured claims, inventories, machinery, goodwill, etc.

The booked value of fixed assets, inventories and receivables is tDKK 33.120.

## ACCOUNTING POLICIES

The Annual Report of BELLINGER A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

## INCOME STATEMENT

### Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

### Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

### Income from equity interests in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

**ACCOUNTING POLICIES**

**BALANCE SHEET**

**Intangible fixed assets**

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 14 years. The period of amortisation is determined based on an assessment of the acquired Company’s position in the market and earnings profile, and the industry-specific conditions.

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company’s development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

**Tangible fixed assets**

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0 %
Leasehold improvements.....	5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

**Fixed asset investments**

Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.



## ACCOUNTING POLICIES

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiary's subsidiary's deficit.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

### **Impairment of fixed assets**

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

### **Inventories**

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

### **Accruals, assets**

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

## ACCOUNTING POLICIES

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.