Piaster Revisorerne
vi giver bedre råd

Combineering A/S

CVR-no. 29 60 99 69

Bistrupvej 176
DK-3460 Birkerød

Annual Report 2016

(Financial year 1 January 2016 - 31 December 2016)

Penneo dokumentnøgle: CDTOJ-PTQL2-UPIE3-HE78V-4ML7B-QNOXF

The Annual Report is presented and adopted at the Annual General Meeting of shareholders on the 1 June 2017

Mads Prag Roesen
Chairman of the meeting

Piaster Revisorerne, statsautoriseret revisionsaktieselskab
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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 1 January 2016 - 31 December 2016 for Combineering 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, financial position and results of operations for the financial year ended 31 December 2016.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

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

Birkerød, 1 June 2017

Executive Board:

Lars Vedel Jørgensen

Board of Directors:

Mads Prag Roesen	Lars Vedel Jørgensen	Jens Brandt Bering
Erik Vedel Lange		

Penneo dokumentnøgle: CDTOJ-PTQL2-UPIE3-HE78V-4ML7B-QNOXF

Independent Auditor's Reports

To the Shareholders of Combineering A/S

Report on financial statements

Opinion
We have audited the Financial Statements of Combineering A/S for the financial year 1 January 2016 - 31 December 2016, which comprise the income statement, balance sheet, notes and 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 financial position of the Company at 31 December 2016 and of the results of the operations for the financial year 1 January 2016 - 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 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' 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 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.

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Independent Auditor’s Reports (-continued)

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.

- 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.

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Independent Auditor's Reports (-continued)

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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's Review and, in doing so, consider whether Management's Review 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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of Management's Review.

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Independent Auditor’s Reports (-continued)

Birkerød, 1 June 2017
Piaster Revisorerne,
statsautoriseret revisionsaktieselskab
CVR. no.: 25 16 00 37

Niels Kristian Tordrup Nielsen
State Authorized Public Accountant

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Company details

The Company	Combineering A/S Bistrupvej 176 DK-3460 Birkerød	
	Identification no.:	29 60 99 69
	Founded:	31 May 2006
	Registered office:	Birkerød
	Financial year:	1 January - 31 December
Executive Board	Lars Vedel Jørgensen	
Board of Directors	Mads Prag Roesen Lars Vedel Jørgensen Jens Brandt Bering Erik Vedel Lange	
Auditor	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Abildgårdsparken 8A 3460 Birkerød	
Bank	Danske Bank Munkeengen 30 DK-3400 Hillerød	

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Management's Review

Primary activities of entity
The company's activities is handling, recycling and utilization including safe destruction of industrial residues and waste product indcluding development of enviroment solutions on behalf of customers.

Development in activities and financial affairs
The company's financial performance is considered satisfying.

Significant events occurred after the end of the financial year
No events materially affecting the financial position of the company have occurred after the end of the financial year.

Penneo dokumentnøgle: CDTOJ-PTQL2-UPIE3-HE78V-4ML7B-QNOXF

Income Statement 1 January - 31 December

	Notes	2016	2015
Gross profit		**23.038.313**	**23.977.018**
Staff costs	1	-14.979.955	-13.597.610
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-742.162	-1.923.014
Other operating expenses		0	-18.422
Operating profit		**7.316.196**	**8.437.972**
Income from investments in group enterprises		-567.904	317.713
Other finance income from group enterprises		0	7.999
Financial expenses	3	-1.313.795	-1.284.178
Profit before tax		**5.434.497**	**7.479.506**
Tax expense	4	-1.410.539	-2.078.904
Profit for the year		**4.023.958**	**5.400.602**
Proposed distribution of results			
Retained earnings		523.958	1.900.602
Proposed dividend recognised in equity		3.500.000	3.500.000
Reserve for net revaluation according to equity method		0	0
Total distribution		**4.023.958**	**5.400.602**

Penneo dokumentnøgle: CDTOJ-PTQL2-UPIE3-HE78V-4ML7B-QNOXF

Balance Sheet at 31 December

Assets

	Notes	2016	2015
Goodwill	5	0	0
Intangible assets		**0**	**0**
Land and buildings	6	6.624.680	6.843.992
Fixtures, fittings, tools and equipment	7	770.001	469.082
Property, plant and equipment		**7.394.681**	**7.313.074**
Long-term investments in group enterprises	8	2.678.368	3.425.213
Other long-term receivables	9	10.814	10.814
Financial fixed assets		**2.689.182**	**3.436.027**
Fixed assets		**10.083.863**	**10.749.101**
Trade receivables		18.602.103	19.747.125
Receivables from group enterprises		345.064	0
Short-term tax receivables		1.048	0
Other receivables		723.741	1.028.173
Prepayments		491.335	482.390
Receivables		**20.163.291**	**21.257.688**
Cash and cash equivalents		**3.720.800**	**4.763.945**
Current assets		**23.884.091**	**26.021.633**
Assets		**33.967.954**	**36.770.734**

Penneo dokumentnøgle: CDTOJ-PTQL2-UPIE3-HE78V-4ML7B-QNOXF

Balance Sheet at 31 December

Equity and liabilities

	Notes	2016	2015
Share capital		500.000	500.000
Reserve for net revaluation according to equity method		0	0
Retained earnings		12.237.275	11.942.258
Proposed dividend recognised in equity		3.500.000	3.500.000
Equity	10	**16.237.275**	**15.942.258**
Long-term mortgage debt		2.810.954	3.496.933
Long-term payables to group enterprises		894.231	894.231
Long-term liabilities other than provisions	11	**3.705.185**	**4.391.164**
Short-term part of long-term liabilities other than provisions	11	125.000	212.447
Trade payables		8.182.820	11.183.600
Payables to group enterprises		1.718.036	1.746.880
Tax payables		0	272.811
Other payables		3.726.154	3.021.574
Lease commitments		273.484	0
Short-term liabilities other than provisions		**14.025.494**	**16.437.312**
Liabilities other than provisions		**17.730.679**	**20.828.476**
Equity and liabilities		**33.967.954**	**36.770.734**
Contingent liabilities	12		
Mortgages and collaterals	13		
Related parties	14		

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Notes

		2016	2015
1	**Staff costs**		
	Wages and salaries	13.813.861	12.771.934
	Post-employment benefit expense	145.294	148.520
	Social security contributions	1.020.800	677.156
		14.979.955	**13.597.610**
	Average number of full time employees	23	22

2	**Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss**		
	Depreciation, goodwill	0	1.160.000
	Depreciation, land and buildings	219.312	210.996
	Depreciation, Fixtures, fittings, tools and equipment	479.562	476.745
	Minor acquisitions	43.288	75.273
		742.162	**1.923.014**

3	**Financial expenses**		
	Finance expenses arising from group enterprises	25.638	100.230
	Other financial expenses	1.288.157	1.183.948
		1.313.795	**1.284.178**

4	**Tax expense**		
	Tax expense on ordinary activities	1.403.952	2.078.904
	Adjustment of deferred tax	0	0
	Tax, prior years	6.587	0
		1.410.539	**2.078.904**

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Notes

		2016	2015
5	**Goodwill**		
	Cost at 1 January	11.600.000	11.600.000
	Cost at 31 December	11.600.000	11.600.000
	Amortisation at 1 January	11.600.000	10.440.000
	Amortisation for the year	0	1.160.000
	Amortisation at 31 December	11.600.000	11.600.000
	Carrying amount at 31 December	**0**	**0**
6	**Land and buildings**		
	Cost at 1 January	8.738.931	8.422.589
	Additions	0	356.401
	Disposals	0	-40.059
	Cost at 31 December	8.738.931	8.738.931
	Depreciations at 1 January	1.894.939	1.696.761
	Depreciation for the year	219.312	210.996
	Depreciation on disposals for the year	0	-12.818
	Depreciations at 31 December	2.114.251	1.894.939
	Carrying amount at 31 December	**6.624.680**	**6.843.992**

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Notes

		2016	2015
7	**Fixtures, fittings, tools and equipment**		
	Cost at 1 January	1.925.580	1.976.885
	Additions	780.481	308.252
	Disposals	-976.875	-359.557
	Cost at 31 December	1.729.186	1.925.580
	Depreciations at 1 January	1.456.498	1.128.070
	Depreciation for the year	479.562	476.745
	Depreciation on disposals for the year	-976.875	-148.317
	Depreciations at 31 December	959.185	1.456.498
	Carrying amount at 31 December	**770.001**	**469.082**
	Financial leased assets included in plant and machinery	285.106	

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Notes

		2016	2015
8	**Long-term investments in group enterprises**		
	Cost at 1 January	3.172.309	1.142
	Additions	50.000	3.171.167
	Cost at 31 December	3.222.309	3.172.309
	Revaluations at 1 January	252.904	163.015
	Exchange rate adjustments	-228.941	51.604
	Share of loss for the year	-567.904	317.713
	Dividends received from group enterprises	0	-279.428
	Revaluations at 31 December	-543.941	252.904
	Carrying amount at 31 December	**2.678.368**	**3.425.213**
	Goodwill in group companies at 31 December	1.025.518	2.051.036

Information from the latest financial statements

	Ownership Percentage	Share Capital	Profit for the year	Equity
Combineering (UK) Limited Company No. 07506396	100%	200 GBP	48.695 GBP	184.592 GBP
Combineering Materials ApS Company No. 37 85 73 27	100%	50.000	-	-

The Company has not prepared Financial Statements. First Financial Statements are 31 December 2017.

		2016	2015
9	**Other long-term receivables**		
	Cost at 1 January	10.814	1.400
	Additions	0	9.414
	Carrying amount at 31 December	10.814	10.814

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Notes

		2016	2015
10	**Equity**		
	Share capital at 1 January	500.000	500.000
	Share capital at 31 December	500.000	500.000
	Retained earnings at 1 January	11.942.258	9.990.052
	Exchange rate adjustments, investment in group	-228.941	51.604
	Proposed distribution of results this year	523.958	1.900.602
	Retained earnings at 31 December	12.237.275	11.942.258
	Proposed dividend recognised in equity 1 January	3.500.000	3.000.000
	Dividend paid	-3.500.000	-3.000.000
	Proposed distribution of results	3.500.000	3.500.000
	Proposed dividend recognised in equity 31 December	3.500.000	3.500.000
	Equity at 31 December	**16.237.275**	**15.942.258**

The share capital has in 2012 been reduced with tDKK 170 and been increased with tDKK 170.

Share capital

The share capital comprises:

A-shares, 1.000 shares of DKK 500	500.000	500.000
Capital increase 15 March 2012, 340 shares of DKK 500	0	0
Capital reduction 15 March 2012, -340 shares of DKK 500	0	0
	500.000	**500.000**

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Notes

11 Long-term liabilities other than provisions

	Total debt 31 December 2016	Repayment next year	Long-term part	Unpaid debt after 5 years
Long-term mortgage debt	2.935.954	125.000	2.810.954	2.311.202
Long-term payables to group enterprises	0	0	894.231	0
	2.935.954	**125.000**	**3.705.185**	**2.311.202**

12 Contingent liabilities

The company is joint taxed with the other Danish companies in the Vedel Invest ApS group. The company is jointly liable with the other Danish companies in the joint taxation Danish corporation taxes and taxes on dividends, interest and royalties.

13 Mortgages and collaterals

As collateral for the Norwegian Goverment (miljøstyrelsen) the company has posted a garanty of tDKK 105.

Normal trade guarantees have been issued for a total of tDKK 650.

In regards to long-term debt (realkreditinstitutter) of tDKK. 2.936, the company has posted collateral in land and buildings of tDKK 4.056, with an accounting value at the 31 December 2016 of tDKK. 6.625.

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Notes

14 Related parties
The Company related parties include:

Controlling influence
CEO Lars Vedel Jørgensen, Hyldegårdsvej 5, 3660 Stenløse.

Other related parties, whom the company had transactions with
Lars Vedel Jørgensen - CEO
Mads Prag Roesen - Chairman Board of Directors
Combineering (UK) Limited
Combineering Holding ApS
Combineering Materials ApS
RHC ApS
Vedel Invest ApS

Transactions with related parties
All transactions are considered to be on market terms.

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Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

Changes in accounting policies
The accounting policies have been changed as follows:

- Financial leases are recognised as assets and liabilities in the balance sheet. Depreciation and the interest portion of lease payments are regonised as expenses in the income statement.
- Proposal for dividend for the year is presented as a separate item under equity. Previously, proposed dividends was presented as a liability.
- Profits and losses on disposal of property, plant and equipment are presented as other operating income and other operating expenses in the income statement, respectively. Previously, gains and losses on the disposal of property, plant and equipment were recognized under depreciation in the income statement.

The comparative figures are changed due to the change in accounting policies.

Th changes in accounting policies have lead to an improvement of net income and equity with tDKK 12, an increase in assets with tDKK 285 as well as an increase of liabilities With tDKK 273. The change in accounting policies does not lead to any change on net income, total assets or equity for the comparative figures.

Besides this the accounting policies are consistent with those of last year.

Financial Statements for 2016 are presented in DKK.

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Accounting policies

General

In general regarding accounting and measuring
Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On inital recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

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

Currency retranslation
Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets aquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Consolidated financial statements
In accordance with the exemption in the section 112 of the Danish Financial Statements Act no consolidated financial statements have been prepared.

Penneo dokumentnøgle: CDTOJ-PTQL2-UPIE3-HE78V-4ML7B-QNOXF

Accounting policies

Income statement

Gross profit
With reference to section 32 of the Financial Statement Act, the items “Revenue” to and including “Other external expenses” are consolidated into one item designated “Gross profit”.

Revenue
Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

● delivery and transfer of risk to the buyer has taken place before year end
● a commiting sales agreement exists
● sales price is determined, and
● payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Cost of sales
Cost of sales include costs incurred to achieve revenue for the year. Cost of sales include freight and forwarding costs.

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Staff costs
Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Other operating income and expenses
Other operating income and expenses includes items of a secondary nature relative to the enterprise’s core business.

Income from investments in group enterprises
The proportionate share of the results of group enterprises after tax is recognized in the income statement after the elimination of intercompany proceeds and deduction of goodwill depreciation and goodwill impairment losses.

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Accounting policies

Financial items
Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Tax expense
Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Balance sheet

Intangible assets
Acquired goodwill is measured at historic cost less accumulated amortisation and impairment losses. Goodwill is depreciated over the estimated useful economic life estimated at 10 years.

Impairment of intangible assets
The carrying amount of intangible assets is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by amortisations. If this is the case a impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

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Accounting policies

Property, plant and equipment
Property, plant, fixtures, fittings, tools and equipment are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Assets are depreciated on a straight-line basis over the expected useful economic lives of the assets:

	Useful life	Expected scrap value
Land and buildings	25 years	0%
Fixtures, fittings, tools and equipment	3-5 years	0-20%

Asset acquisitions below the taxable limit is fully written off in the year of acquisition.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under depreciations.

Impairment of property, plant and equipment
The carrying amount of property, plant and equipment is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by depreciations and amortisations. If this is the case an impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Penneo dokumentnøgle: CDTOJ-PTQL2-UPIE3-HE78V-4ML7B-QNOXF

Accounting policies

Leases
Leases of fixed assets where the company has substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet as assets. The assets are measured initially calculated cost equal to the fair value or (if lower) the present value of future lease payments. In calculating the present value the internal interest rate of the leases, discount rate or an approximated value is used. Finance leases are depreciated like other similar assets.

The capitalized remaining lease obligation is recognized in the balance sheet as a liability, lease payment interest is recognized over the term of the income statement. All other leases are classified as operating leases. Payments considered operating leases are recognized in the income statement over the lease term. The company's total liability relating to operating leases and lease liabilities is disclosed in the notes.

Financial fixed assets
Investments in group enterprises
Investments in group enterprises are recognized according to the equity method and measured at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus the proportionate share of unrealised intercompany proceeds and minus or plus the carrying amount of goodwill measured according

Investments in group enterprises with a negative net asset value are measured at value of DKK 0. Any receivables from group enterprises are written down by the share at the negative net asset value if the amount owed is irrecoverable. If the negative net asset value exceeds the receivable, the remaining amount is recognized under provisions to the extent the parent company has a legal or constructive obligation to cover the negative net assets of the group

Net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds purchase price deducted goodwill depreciation.

Acquired enterprises or newly founded enterprises are recognized in the financial statements from the date of acquisition or foundation. Enterprises sold or disposed are recognized until the

Gains or losses on disposal of group enterprises are determined as the difference between the sales amount and the carrying amount of net assets at the time of disposal, including non-depreciated goodwill and estimated costs of disposal. Gains and losses are recognized in the income statement under financial income or financial expenses.

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Accounting policies

Receivables
Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Prepayments
Prepayments, under assets, consist of prepayments for the coming financial year.

Dividends
Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Current tax and current deferred tax
Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Defered 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 measuered at net realisable value.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities
Borrowings are recognized at the time the loans are obtained and are initially measured at the proceeds received less transaction costs. In the subsequent periods, financial liabilities are measured at amortized cost, applying the 'effective interest rate method', to the effect that the difference between the proceeds and the nominal value is recognized in the income statement

Mortgage debt is recognized at amortized cost price, which for cash loans is equal to outstanding loan. For bond loans amortized cost price equals the underlying cash value at time of borrowing regulated with an exchange rate at the time of borrowing depreciated over the maturity.

Other liabilities are measured at amortized cost, corresponding to the nominal value.

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