



Tel.: +45 39 15 52 00
koebenhavn@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 Copenhagen V
CVR no. 20 22 26 70

WORLD FUEL SERVICES (DENMARK) APS

TORVEBYEN 8 1. TH., 4600 KØGE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2018

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 June 2019**

Richard Donald McMichael

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. 30 59 33 75

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COMPANY DETAILS

| | |
|----------------------------|--|
| Company | WORLD FUEL SERVICES (DENMARK) ApS Torvebyen 8 1. th. 4600 Køge Telephone: +45 56 78 82 00 Telefax: +45 56 78 82 22 E-mail: heghamme@wfsoorp.com CVR No.: 30 59 33 75 Established: 23 May 2007 Registered Office: Køge Financial Year: 1 January - 31 December |
| Board of Executives | Richard Donald McMichael |
| Auditor | BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V |
| Bank | Nordea Bank Danmark A/S Axeltorv 2 4700 Næstved |
| Law Firm | Rønne & Lundgren Tuborg Havnevej 19 2900 Hellerup |

STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of WORLD FUEL SERVICES (DENMARK) ApS for the financial year 1 January - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

The Management's Review includes in my opinion a fair presentation of the matters dealt with in the Review.

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

Køge, 26 June 2019

Board of Executives

Richard Donald McMichael

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of WORLD FUEL SERVICES (DENMARK) ApS

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of WORLD FUEL SERVICES (DENMARK) ApS for the financial year 1 January - 31 December 2018, 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibility for the Financial Statements

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

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'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 Statements Act. We did not identify any material misstatement of Management's Review.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Non-compliance with the Danish accounting legislation

Contrary to section 10 of the Danish Bookkeeping Act, the Company has kept its accounting records abroad; consequently, Management may incur liability.

Copenhagen, 26 June 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Iben Larsen
State Authorised Public Accountant
MNE no. mne34474

FINANCIAL HIGHLIGHTS

| | 2018 USD '000 | 2017 USD '000 | 2016 USD '000 | 2015 USD '000 | 2014 USD '000 |
|--|------------------|------------------|------------------|------------------|------------------|
| Income statement | | | | | |
| Gross profit/loss..... | 5.107 | 3.355 | 3.248 | 3.523 | 3.845 |
| Operating profit/loss..... | 1.337 | 898 | 1.216 | 1.408 | 1.429 |
| Financial income and expenses, net..... | 2.133 | 128 | -391 | 233 | 176 |
| Profit/loss for the year..... | 2.642 | 786 | 675 | 1.417 | 1.273 |
| Balance sheet | | | | | |
| Balance sheet total..... | 16.323 | 12.635 | 12.862 | 10.076 | 9.884 |
| Equity..... | 12.413 | 9.771 | 8.984 | 8.309 | 6.892 |
| Investment in tangible fixed assets..... | 0 | 0 | 0 | 0 | 0 |
| Average number of full-time employees | | | | | |
| | 10 | 11 | 12 | 12 | 8 |
| Ratios | | | | | |
| Solvency ratio..... | 76,0 | 77,3 | 69,8 | 82,5 | 69,7 |
| Return on equity..... | 23,8 | 8,4 | 7,8 | 18,6 | 20,3 |

The ratios stated in the list of key figures and ratios have been calculated as follows:

| | |
|-------------------|--|
| Solvency ratio: | $\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$ |
| Return on equity: | $\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$ |

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

Key activities

The Company, incorporated in Denmark, is a wholly-owned subsidiary of WFS Danish Holding Company I ApS, which is incorporated in Denmark. The "Ultimate Parent Undertaking" is World Fuel Services Corporation, incorporated in the state of Florida, in the United States of America. The Company's principal activities are that of O11 brokering and bunkering of marine fuel in the shipping industry. The Company primarily acts as a reseller of fuel and fuel-related products.

Unusual events

The financial position at 31 December 2018 of the Company and the results of the activities of the Company for the financial year for 2018 have not been affected by any unusual events.

Development in activities and financial position

The income statement of the Company for 2018 shows a profit of USD 2,642,020, and at 31 December 2018 the balance sheet of the Company shows equity of USD 12,412,601. The expectations of the Directors for the 2018 year have been met as gross profit and net profits have significantly increased from the prior year. The future expectations of the Directors include a continuation of the profitable existing business, being brokering and bunkering of marine fuel.

Profit for the year compared to future expectations

The expectations of the Directors for the 2018 year have been met as gross profit and net profits have significantly increased from the prior year.

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.

Special risks - operating risk and financial risks

Operating risks

The Company is exposed to price risk to the extent that we enter into fixed price fuel purchase and/or sale commitment contracts. The Company has no fixed price purchase and/or sales commitment contracts as at 31 December 2018.

Market risks

There has been a substantial tightening of the global credit markets recently, which could adversely affect the Company's ability to obtain credit as and when needed on commercially reasonable terms or at all and, consequently, could have a negative impact on future development and growth. Further, the economic environment could adversely impact customer operations and liquidity and therefore the ability of the Company to realise amounts extended to customers given the Company's unsecured creditor status.

Foreign exchange risks

The financial risk management of the Company is handled by the ultimate holding company as part of the operations of World Fuel Services Corporation's Group. The financial risk processes and policies are described in the financial statements of the ultimate holding company.

Interest rate risks

The Company has no exposure to interest rate risk.

Credit risks

Credit risk is managed on a Company basis. Credit risk arises from cash and cash at bank as well as credit exposures to customers, including outstanding debtors and committed transactions.

As at 31 December 2018 the Company has cash at bank and in hand of \$59,120 (2017: \$149,027) held at financial institutions. The Company reviews the banks and financial institutions holding deposits for acceptability given availability of banking institutions in each location.

We have exposure to the marine fuel industries as well as to our customers and suppliers in those industries. We have credit standards and perform credit evaluations of our customers and suppliers,

MANAGEMENT'S REVIEW

Special risks - operating risk and financial risks (continued)

which are based in part on our credit history with the applicable party.

The Company also has exposure to credit risk through the extension of unsecured credit to customers in the normal course of business. The Company performs credit evaluations, which are based in part on credit history with the applicable party. The credit evaluations may be inaccurate and there is no assurance that credit performance will not be materially worse than anticipated, and, as a result, materially affect the business, financial position and results of operations. Diversification of credit risk is limited because the Company sells primarily within the marine industry. The Company's exposure to credit losses will depend on the financial condition of customers and other factors beyond the control of the Company, such as deteriorating conditions in the world economy or in the marine industry, political instability, terrorist activities, military action and natural disasters in our market areas.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables as presented on the balance sheet. The Company does not hold any collateral as security.

The allowance for impairment of trade debtors established by the Company is based on an analysis of the credit risk profile of each individual customer as well as other market and economic factors.

External environment

The environmental laws of the markets in which the Company operates are often unclear and subject to interpretation and frequent change. The Company strives to comply with applicable laws and regulation at any time and to reduce the environmental impact of its business.

Intellectual capital resources

It is important for the Company's continued growth and development to be able to attract and retain well-educated labour, including employees specialized in logistics and fuel. This necessitates a high competence level, and the Company uses the necessary resources for ensuring continued development of competencies of its employees, as well as retention.

Future expectations

The future expectations of the Directors include a continuation of the profitable existing business, being brokering and bunkering of marine fuel.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

| | Note | 2018 USD | 2017 USD |
|---|------|------------------|------------------|
| GROSS PROFIT | | 5,106.777 | 3,354.588 |
| Staff costs..... | 1 | -3.769.706 | -2.453.568 |
| Depreciation, amortisation and impairment losses..... | | 0 | -2.746 |
| OPERATING PROFIT | | 1,337.071 | 898.274 |
| Other financial income..... | 2 | 2.133.013 | 127.644 |
| PROFIT BEFORE TAX | | 3,470.084 | 1,025.918 |
| Tax on profit/loss for the year..... | 3 | -828.064 | -239.464 |
| PROFIT FOR THE YEAR | 4 | 2,642.020 | 786.454 |

BALANCE SHEET AT 31 DECEMBER

| ASSETS | Note | 2018 USD | 2017 USD |
|---|----------|-------------------|-------------------|
| Other plants, machinery, tools and equipment..... | | 0 | 0 |
| Leasehold improvements..... | | 0 | 0 |
| Tangible fixed assets..... | 5 | 0 | 0 |
| Rent deposit and other receivables..... | | 39.518 | 41.471 |
| Fixed asset investments..... | 6 | 39.518 | 41.471 |
| FIXED ASSETS..... | | 39.518 | 41.471 |
| Trade receivables..... | | 2.204.599 | 2.683.370 |
| Receivables from group enterprises..... | | 13.931.290 | 9.613.096 |
| Deferred tax assets..... | 7 | 22.443 | 69.367 |
| Other receivables..... | | 53.963 | 62.909 |
| Prepayments and accrued income..... | 8 | 11.823 | 15.378 |
| Receivables..... | | 16.224.118 | 12.444.120 |
| Cash and cash equivalents..... | | 59.128 | 149.027 |
| CURRENT ASSETS..... | | 16.283.246 | 12.593.147 |
| ASSETS..... | | 16.322.764 | 12.634.618 |

BALANCE SHEET AT 31 DECEMBER

| EQUITY AND LIABILITIES | Note | 2018 USD | 2017 USD |
|--|----------|-------------------|-------------------|
| Share capital..... | | 22.661 | 22.661 |
| Retained earnings..... | | 12.389.939 | 9.747.919 |
| EQUITY..... | | 12.412.600 | 9.770.580 |
| Other liabilities..... | | 14.177 | 12.602 |
| Long-term liabilities..... | 9 | 14.177 | 12.602 |
| Short-term portion of long-term liabilities..... | 9 | 0 | 20.964 |
| Trade payables..... | | 1.584.067 | 2.255.611 |
| Corporation tax..... | | 769.978 | 200.391 |
| Other liabilities..... | | 1.541.942 | 374.470 |
| Current liabilities..... | | 3.895.987 | 2.851.436 |
| LIABILITIES..... | | 3.910.164 | 2.864.038 |
| EQUITY AND LIABILITIES..... | | 16.322.764 | 12.634.618 |
| Contingencies etc. | 10 | | |
| Related parties | 11 | | |
| Consolidated financial statements | 12 | | |

EQUITY

| | Share capital | Retained earnings | Total |
|--|---------------|-------------------|-------------------|
| Equity at 1 January 2018..... | 22.661 | 9.747.919 | 9.770.580 |
| Proposed distribution of profit..... | | 2.642.020 | 2.642.020 |
| Equity at 31 December 2018..... | 22.661 | 12.389.939 | 12.412.600 |

NOTES

| | 2018 USD | 2017 USD | Note |
|--|--|---------------------------|----------|
| Staff costs | | | 1 |
| Average number of employees 10 (2017: 11) | | | |
| Wages and salaries..... | 2.782.533 | 2.331.551 | |
| Pensions..... | 76.120 | 91.713 | |
| Other staff costs..... | 911.053 | 30.304 | |
| | 3.769.706 | 2.453.568 | |
| Information on management remuneration has been omitted in accordance with the exemption provision in § 98b, 3 nr. 2 of the Danish Financial Statements Act. | | | |
| Other financial income | | | 2 |
| Group enterprises..... | 640.791 | -2.905 | |
| Other interest income..... | 1.492.222 | 130.549 | |
| | 2.133.013 | 127.644 | |
| Tax on profit/loss for the year | | | 3 |
| Calculated tax on taxable income of the year..... | 775.220 | 210.915 | |
| Adjustment of tax in previous years..... | 5.920 | -52.994 | |
| Adjustment of deferred tax..... | 46.924 | 81.543 | |
| | 828.064 | 239.464 | |
| Proposed distribution of profit | | | 4 |
| Retained earnings..... | 2.642.020 | 786.454 | |
| | 2.642.020 | 786.454 | |
| Tangible fixed assets | | | 5 |
| | Other plants, machinery, tools and equipment | Leasehold improvements | |
| Cost at 1 January 2018..... | 99.479 | 1.678 | |
| Cost at 31 December 2018..... | 99.479 | 1.678 | |
| Depreciation and impairment losses at 1 January 2018..... | 99.479 | 1.678 | |
| Depreciation and impairment losses at 31 December 2018.... | 99.479 | 1.678 | |
| Carrying amount at 31 December 2018..... | 0 | 0 | |

NOTES

| | | |
|---|---------------------------------------|-------------|
| | | Note |
| Fixed asset investments | | 6 |
| | Rent deposit and other receivables | |
| Cost at 1 January 2018..... | 41.471 | |
| Disposals..... | -1.953 | |
| Cost at 31 December 2018..... | 39.518 | |
| Carrying amount at 31 December 2018..... | 39.518 | |

Deferred tax assets **7**
 Provision for deferred tax relates to differences between the carrying amount and the tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

| | 2018 USD | 2017 USD |
|---|---------------|---------------|
| Deferred tax relates to: | | |
| Other plants, machinery, tools and equipment..... | 1.744 | 3.316 |
| Accrued expenses..... | 20.699 | 66.051 |
| | 22.443 | 69.367 |
| Deferred tax, beginning of year..... | 69.367 | 150.910 |
| Deferred tax of the year, income statement..... | -46.924 | -81.543 |
| Deferred tax assets 31 December 2018..... | 22.443 | 69.367 |

Deferred tax has been provided at 22% corresponding to the current tax rate. The deferred tax asset is estimated to be utilized in the forthcoming 1-3 years.

| | | |
|---------------------------------------|---------------|---------------|
| Prepayments and accrued income | | 8 |
| Prepayments..... | 11.823 | 15.378 |
| | 11.823 | 15.378 |

| | | | | | |
|------------------------------|---------------------------------|------------------------|--------------------------------------|---------------------------------|---|
| Long-term liabilities | | | | | 9 |
| | 31/12 2018 total liabilities | Repayment next year | Debt outstanding after 5 years | 31/12 2017 total liabilities | Current portion at the beginning of the year |
| Other liabilities..... | 14.177 | 14.177 | 0 | 33.566 | 20.964 |
| | 14.177 | 14.177 | 0 | 33.566 | 20.964 |

NOTES**Note****Contingencies etc.****10****Contingent liabilities**

The rental contract is non-cancellable for 20 months and the total commitment amounts to USD 132k.

The company is jointly taxed with WFS's group's other Danish jointly taxed companies. The company has solidary liability for corporate income tax, withholding taxes on dividends, royalty tax and interest on the jointly taxed income, etc. for the joint taxation with WFS Danish Holding Company I ApS as the administration company.

Related parties**11**

The Company's related parties include:

Controlling interest

WFS Danish Holding Company, Torvebyen 8, 1. th, 4600 Køge, is the principal shareholder.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated financial statements**12**

The Company is included in the consolidated financial statements of World Fuel Services Corporation, 9800 N.W. 41 st street, Suite 400, Miami FL33178.

ACCOUNTING POLICIES

The Annual Report of WORLD FUEL SERVICES (DENMARK) ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

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

The Financial Statements for 2018 are presented in USD. The exchange rate of USD to DKK was 6.5107 at 31 December 2018.

INCOME STATEMENT

Net revenue

Net revenue from sale of 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. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

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 cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

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

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 investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

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 portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

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. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

ACCOUNTING POLICIES

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..... | 3-7 years | 0 % |
| Leasehold improvements..... | 7 years | 0 % |

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

Fixed asset investments

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

Impairment of fixed assets

The carrying amount of fixed assets, which are not measured at fair value, are valued on an annual basis 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 carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

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.

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.

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 carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off 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.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing 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 term of loan.

Amortised cost for short-term liabilities usually corresponds 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.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

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 time of occurrence of the receivables or payables is 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.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.