

LB International Holding ApS

Vestre Havnepromenade 5, 9100 Aalborg

CVR no. 31 07 13 72

Annual report for the financial year 01.07.22 - 30.06.23

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 19.12.23

Lars Bentzen
Dirigent

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The company

LB International Holding ApS
Secondary firm name: NTU International Holding ApS
Vestre Havnepromenade 5
9100 Aalborg
Tel.: 99 30 00 00
Registered office: Aalborg
CVR no.: 31 07 13 72
Financial year: 01.07 - 30.06

Executive Board

Lars Bentzen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Bank

Nykredit Bank

Subsidiaries

NTU International A/S, Aalborg
Silva Vitae ApS, Aalborg
Volare Vitae ApS, Aalborg

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.07.22 - 30.06.23 for LB International Holding ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In my opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 30.06.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.07.22 - 30.06.23.

I believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aalborg, December 18, 2023

Executive Board

Lars Bentzen

To the Shareholder of LB International Holding ApS**Opinion**

We have audited the consolidated financial statements and parent company financial statements of LB International Holding ApS for the financial year 01.07.22 - 30.06.23, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 30.06.23 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.07.22 - 30.06.23 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 consolidated financial statements and parent company financial statements" section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and 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 consolidated financial statements and financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company 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 consolidated financial statements and financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

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

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the parent 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 International Standards on Auditing 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 consolidated financial statements and financial statements.

As part of an audit conducted in accordance with International Standards on Auditing 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 consolidated financial statements and 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 group's and the parent 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 consolidated financial statements and 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 group's and the parent 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 consolidated financial statements and 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 group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and 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 group to express an opinion on the consolidated 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.

Aalborg, December 18, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Thomas Skou Jacobsen

State Authorized Public Accountant
MNE-no. mne33207

GROUPS FINANCIAL HIGHLIGHTS**Key figures**

Figures in EUR '000	2022/23	2021/22	2020/21	2019/20	2018/19
<i>Profit/loss</i>					
Revenue	16,563	16,059	15,272	17,077	20,484
Gross result	4,676	3,705	3,649	3,365	3,534
Profit/loss before depreciation, amortisation, write-downs and impairment losses	1,812	1,271	1,258	684	1,426
Operating profit/loss	1,808	1,266	1,250	675	1,418
Total net financials	-53	281	-137	34	-59
Profit before tax	1,754	1,546	1,114	708	1,223
Profit for the year	1,371	1,198	876	542	938
<i>Balance</i>					
Total assets	32,598	29,422	24,404	21,916	20,119
Investments in property, plant and equipment	0	2	1,611	2	0
Current assets	30,917	27,771	22,747	21,865	20,063
Equity	7,596	6,225	5,019	4,141	3,600
Short-term payables	23,330	21,299	17,868	16,471	15,491
<i>Cashflow</i>					
Net cash flow:					
Operating activities	1,870	-365	1,318	2,756	-94
Investing activities	0	-2	-1,614	-3	-1
Financing activities	-2	3	16	115	-243
Cash flows for the year	1,868	-364	-280	2,868	-338

Ratios

	2022/23	2021/22	2020/21	2019/20	2018/19
<i>Profitability</i>					
Return on equity	19.8%	21.3%	19.1%	14.0%	30.0%
Gross margin	28.2%	23.1%	23.9%	19.7%	17.3%
Profit margin	10.9%	7.9%	8.2%	4.0%	6.9%
Asset turnover	0.5	0.6	0.7	0.8	1.1
Acid test ratio	132.5%	130.4%	127.3%	132.8%	129.5%
<i>Equity ratio</i>					
Solvency ratio	23.3%	21.2%	20.6%	18.9%	17.9%
<i>Others</i>					
Number of employees (average)	45	44	40	42	40

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Gross margin:	$\frac{\text{Gross result} \times 100}{\text{Revenue}}$
Profit margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Asset turnover:	$\frac{\text{Revenue}}{\text{Avg. total assets}}$
Acid test ratio:	$\frac{\text{Total current assets} \times 100}{\text{Total short-tem payables}}$
Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$

Primary activities

In relation to the preparation of the annual report for the group and parent company following information must be stated:

LB International Holding ApS' objective is to hold investments in subsidiaries and associated companies, to conduct investment activities and other related activities at the discretion of the Executive Board.

NTU International A/S' objective is to perform consultancy service within the engineering and economic disciplines including especially technical assistance to authorities and institutions.

Silva Vitae ApS' objective is to own and operate forestry and agricultural activities as well activities related to this at the discretion of the Executive Board.

Development in activities and financial affairs

The income statement for the period 01.07.22 - 30.06.23 shows a profit/loss of EUR 1,370,985 against EUR 1,198,280 for the period 01.07.21 - 30.06.22. The balance sheet shows equity of EUR 7,595,657.

The company was well-prepared to an incident such as COVID-19 and was immediately able to switch to full homebased work without any loss of productivity. The company has ensured progress in all projects and continued the majority of project activities despite the challenges deriving from the closure of several countries of operation.

The management considers the net profit for the year as satisfactory.

The earnings expectations for the financial year 01.07.22 - 30.06.23 were a net profit of EUR 600k. The objective was met primarily due to a better gross profit than expected.

The company has in the period 1 July 2022 - 30 June 2023 experienced positive growth in new development projects in the main markets - developing countries outside EU-27 countries. NTUI has initiated a range of strategic initiatives and projects that is expected to impact in the period 2022 - 2025. NTUI is a part of range of networks and international consortia that results in new business areas such as general technical assistance in infrastructure and systems in health, SMEs, Industry, Public Sector, Energy, Climate, Macroeconomics, Agriculture and regional development, which complement NTUI's core consultancy expertise.

Outlook

The company management has ensured participation in range of projects that will be implemented in the period until 2029 through newly awarded international tenders, resulting in higher turnover in the years to come. Due to the fact that the company's capacity has been intact during the COVID-19 pandemic the company has succeeded in obtaining new market shares and new sectors including, among others, an increased presence in the market of health consultancy.

Knowledge resources

NTU International continuously works through a meticulously planned knowledge management strategy where knowledge is consolidated in a data bank and spread to relevant professional resource personel. The company has been ISO 9001-2015 certified since 2019 which ensure the knowledge resources as well as internal and external learning.

Income statement

Note	Group		Parent		
	2022/23 EUR	2021/22 EUR	2022/23 EUR	2021/22 EUR	
	Revenue	16,562,927	16,058,806	0	0
	Other operating income	0	1,343	0	0
	Cost of sales	-11,175,535	-11,805,612	0	0
	Property costs	-7,617	0	0	0
	Other external expenses	-703,653	-549,373	-2,706	-6,215
	Gross result	4,676,122	3,705,164	-2,706	-6,215
1	Staff costs	-2,863,727	-2,433,885	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	1,812,395	1,271,279	-2,706	-6,215
	Depreciation and impairments losses of property, plant and equipment	-4,758	-5,695	0	0
	Operating profit/loss	1,807,637	1,265,584	-2,706	-6,215
2	Income from equity investments in group enterprises	0	0	1,381,690	1,210,239
3	Financial income	106,878	329,078	456	2
4	Financial expenses	-160,325	-48,362	-11,511	-9,146
	Total net financials	-53,447	280,716	1,370,635	1,201,095
	Profit before tax	1,754,190	1,546,300	1,367,929	1,194,880
	Tax on profit for the year	-383,205	-378,152	3,056	3,400
	Other taxes	0	30,132	0	0
	Total tax	-383,205	-348,020	3,056	3,400
	Profit for the year	1,370,985	1,198,280	1,370,985	1,198,280
5	Proposed appropriation account				

ASSETS		Group		Parent	
		30.06.23 EUR	30.06.22 EUR	30.06.23 EUR	30.06.22 EUR
Note					
	Land and buildings	1,604,193	1,608,986	0	0
	Other fixtures and fittings, tools and equipment	0	1,986	0	0
6	Total property, plant and equipment	1,604,193	1,610,972	0	0
7	Equity investments in group enterprises	0	0	8,179,436	6,752,160
8	Deposits	77,153	39,891	0	0
	Total investments	77,153	39,891	8,179,436	6,752,160
	Total non-current assets	1,681,346	1,650,863	8,179,436	6,752,160
9	Work in progress for third parties	17,559,710	16,076,828	0	0
	Trade receivables	6,439,519	6,276,119	0	0
	Receivables from group enterprises	0	0	0	8,030
	Deferred tax asset	0	0	0	8,800
	Income tax receivable	0	342,257	11,780	17,684
	Other receivables	246,518	250,384	0	0
10	Prepayments	14,603	36,594	0	0
	Total receivables	24,260,350	22,982,182	11,780	34,514
	Cash	6,656,272	4,788,553	30,554	18,171
	Total current assets	30,916,622	27,770,735	42,334	52,685
	Total assets	32,597,968	29,421,598	8,221,770	6,804,845

EQUITY AND LIABILITIES		Group		Parent	
		30.06.23 EUR	30.06.22 EUR	30.06.23 EUR	30.06.22 EUR
Note					
	Share capital	16,782	16,803	16,782	16,803
	Reserve for net revaluation according to the equity method	0	0	7,639,675	6,258,008
	Retained earnings	7,578,875	6,207,890	-60,802	-50,118
	Total equity	7,595,657	6,224,693	7,595,655	6,224,693
11	Provisions for deferred tax	1,540,702	1,764,652	0	0
	Total provisions	1,540,702	1,764,652	0	0
12	Other payables	131,798	133,742	0	0
	Total long-term payables	131,798	133,742	0	0
9	Prepayments received from work in progress for third parties	124,110	168,328	0	0
	Trade payables	22,955,821	21,021,870	4,763	4,764
	Payables to group enterprises	0	0	621,352	575,388
	Income taxes	143,164	0	0	0
	Other payables	106,716	108,313	0	0
	Total short-term payables	23,329,811	21,298,511	626,115	580,152
	Total payables	23,461,609	21,432,253	626,115	580,152
	Total equity and liabilities	32,597,968	29,421,598	8,221,770	6,804,845
13	Contingent liabilities				
14	Charges and security				
15	Related parties				

Statement of changes in equity

Figures in EUR	Share capital	Reserve for net revaluation according to the equity method	Retained earnings
Group:			
Statement of changes in equity for 01.07.21 - 30.06.22			
Balance as at 01.07.21	16,810	0	5,002,670
Other changes in equity	-7	0	6,940
Net profit/loss for the year	0	0	1,198,280
Balance as at 30.06.22	16,803	0	6,207,890
Statement of changes in equity for 01.07.22 - 30.06.23			
Balance as at 01.07.22	16,803	0	6,207,890
Other changes in equity	-21	0	0
Net profit/loss for the year	0	0	1,370,985
Balance as at 30.06.23	16,782	0	7,578,875
Parent:			
Statement of changes in equity for 01.07.21 - 30.06.22			
Balance as at 01.07.21	16,810	5,040,836	-38,166
Foreign currency translation adjustment	0	6,933	0
Other changes in equity	-7	0	7
Net profit/loss for the year	0	1,210,239	-11,959
Balance as at 30.06.22	16,803	6,258,008	-50,118
Statement of changes in equity for 01.07.22 - 30.06.23			
Balance as at 01.07.22	16,803	6,258,008	-50,118
Foreign currency translation adjustment	0	-23	0
Other changes in equity	-21	0	21
Net profit/loss for the year	0	1,381,690	-10,705
Balance as at 30.06.23	16,782	7,639,675	-60,802

Consolidated cash flow statement

Note	Group	
	2022/23 EUR	2021/22 EUR
	1,370,985	1,198,280
16	460,498	110,461
Change in working capital:		
Receivables	-1,657,687	-5,282,537
Trade payables	1,933,953	3,562,347
Other payables relating to operating activities	-45,817	-131,355
Cash flows from operating activities before net financials	2,061,932	-542,804
Interest income and similar income received	106,878	329,078
Interest expenses and similar expenses paid	-160,325	-48,362
Income tax paid	-138,822	-103,091
Cash flows from operating activities	1,869,663	-365,179
Purchase of property, plant and equipment	0	-2,409
Cash flows from investing activities	0	-2,409
Arrangement of other long-term payables	0	2,831
Repayment of other long-term payables	-1,944	0
Cash flows from financing activities	-1,944	2,831
Total cash flows for the year	1,867,719	-364,757
Cash, beginning of year	4,788,553	5,153,310
Cash, end of year	6,656,272	4,788,553
Cash, end of year, comprises:		
Cash	6,656,272	4,788,553
Total	6,656,272	4,788,553

	Group		Parent	
	2022/23 EUR	2021/22 EUR	2022/23 EUR	2021/22 EUR

1. Staff costs

Wages and salaries	2,705,251	2,328,249	0	0
Pensions	17,916	26,214	0	0
Other social security costs	41,962	40,510	0	0
Other staff costs	98,598	38,912	0	0
Total	2,863,727	2,433,885	0	0

Average number of employees during the year	45	44	0	0
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Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	687,946	706,477	0	0
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2. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	1,381,690	1,210,239
Total	0	0	1,381,690	1,210,239

	Group		Parent	
	2022/23 EUR	2021/22 EUR	2022/23 EUR	2021/22 EUR

3. Financial income

Interest, group enterprises	0	0	327	0
Other financial income	106,878	329,078	129	2
Total	106,878	329,078	456	2

4. Financial expenses

Interest, group enterprises	0	0	11,511	9,144
Other financial expenses	160,325	48,362	0	2
Total	160,325	48,362	11,511	9,146

5. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	1,381,690	1,210,239
Retained earnings	1,370,985	1,198,280	-10,705	-11,959
Total	1,370,985	1,198,280	1,370,985	1,198,280

6. Property, plant and equipment

Figures in EUR	Land and buildings
Group:	
Cost as at 01.07.22	1,614,149
Disposals during the year	0
Cost as at 30.06.23	1,614,149
Depreciation and impairment losses as at 01.07.22	-5,199
Depreciation during the year	-4,757
Reversal of depreciation of and impairment losses on disposed assets	0
Depreciation and impairment losses as at 30.06.23	-9,956
Carrying amount as at 30.06.23	1,604,193

7. Equity investments in group enterprises

Figures in EUR	Equity investments in group enterprises
Parent:	
Cost as at 01.07.22	494,152
Additions during the year	45,609
Cost as at 30.06.23	539,761
Revaluations as at 01.07.22	6,258,008
Foreign currency translation adjustment	-23
Net profit/loss from equity investments	1,381,690
Revaluations as at 30.06.23	7,639,675
Carrying amount as at 30.06.23	8,179,436
Subsidiaries:	
Name and registered office:	Ownership interest
NTU International A/S, Aalborg	100%
Silva Vitae ApS, Aalborg	100%
Volare Vitae ApS, Aalborg	100%

8. Other non-current financial assets

Figures in EUR	Deposits
Group:	
Cost as at 01.07.22	39,892
Additions during the year	37,261
Cost as at 30.06.23	77,153
Carrying amount as at 30.06.23	77,153

	Group		Parent	
	30.06.23	30.06.22	30.06.23	30.06.22
	EUR	EUR	EUR	EUR

9. Work in progress for third parties

Work in progress for third parties	65,742,545	59,727,303	0	0
On-account invoicing	-48,306,944	-43,818,803	0	0
Total work in progress for third parties	17,435,601	15,908,500	0	0

Work in progress for third parties is recognized in the balance sheet as:

Work in progress for third parties	17,559,710	16,076,828	0	0
Prepayments received from work in progress for third parties, short-term payables	-124,110	-168,328	0	0
Total	17,435,600	15,908,500	0	0

10. Prepayments

Prepaid insurance premiums	0	9,779	0	0
Prepaid membership fees and subscriptions	0	1,015	0	0
Prepaid salary etc.	11,207	23,786	0	0
Coupons Belgium	3,396	2,014	0	0
Total	14,603	36,594	0	0

	Group		Parent	
	30.06.23 EUR	30.06.22 EUR	30.06.23 EUR	30.06.22 EUR

11. Deferred tax

Deferred tax as at 01.07.22	1,764,652	1,386,500	600	-5,400
Deferred tax recognised in the income statement	-223,950	378,152	-600	-3,400
Deferred tax as at 30.06.23	1,540,702	1,764,652	0	-8,800

Deferred tax is distributed as below:

Property, plant and equipment	-3,798	-18,848	0	0
Receivables	1,545,300	2,260,900	0	0
Liabilities	-800	-800	0	0
Tax losses	0	-476,600	0	-8,800
Total	1,540,702	1,764,652	0	-8,800

12. Long-term payables

Figures in EUR	Repayment first year	Outstanding debt after 5 years	Total payables at 30.06.23	Total payables at 30.06.22
Group:				
Other payables	0	0	131,798	133,742
Total	0	0	131,798	133,742

Other payables consists of frozen holiday pay which can be kept until the employees leaves the Danish labour market.

13. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 23 months and total lease payments of EUR 44k.

Parent:

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total known tax liability for the jointly taxed companies is recognised in the balance sheet. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

14. Charges and security

Group:

The group has provided a company charge of EUR 940k as security for guarantees of EUR 3,247k provided by credit institutions. As at 30.06.23, the company charge comprises the following assets with the following carrying amounts:

- Goodwill and intellectual property rights, EUR 0k
- Other plant, fixtures and fittings, tools and equipment, EUR 0k
- Inventories, EUR 0k
- Trade receivables, EUR 6,440k

Parent:

The company has not provided any security over assets.

15. Related parties

Controlling influence	Basis of influence
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Lars Bentzen, Skovbakkevej 4, 9000 Aalborg	Owner of LB International Holding ApS
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Remuneration for the management is specified in note 1. Staff costs.

	Group	Parent
Balances	30.06.23 EUR	30.06.23 EUR
Receivables from group enterprises	0	0
Payables to group enterprises	0	-621,352

Receivables and payables from group companies recognised under current assets and short-term payables to group enterprises consist of balances which are settled on an ongoing basis and in accordance with the company's standard terms of agreement and payment.

	Group	
	2022/23 EUR	2021/22 EUR

16. Adjustments for the cash flow statement

Depreciation and impairments losses of property, plant and equipment	4,758	5,695
Financial income	-106,878	-329,078
Financial expenses	160,325	48,362
Tax on profit or loss for the year	383,205	378,152
Other taxes	0	-30,132
Other adjustments	19,088	37,462
Total	460,498	110,461

17. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for medium-sized groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

17. Accounting policies - continued -**CURRENCY**

The annual report is presented in Euro (EUR).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Revenue**

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including grants and gains on the sale of intangible assets and property, plant and equipment.

Cost of sales

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

Property costs

Property costs comprise costs relating to property management, including repair and maintenance costs, real property taxes, insurance, overhead costs and other costs.

17. Accounting policies - continued -**Other external expenses**

Other external expenses comprise selling costs, vehicle expenses, cost of premises and administrative expenses.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Buildings	10-50	0
Other plant, fixtures and fittings, tools and equipment	5	0

Land is not depreciated.

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group enterprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

17. Accounting policies - continued -**Tax on profit/loss for the year**

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

Other taxes

Other taxes comprises tax amounts that are calculated on a basis other than the income for the year.

BALANCE SHEET**Property, plant and equipment**

Property, plant and equipment comprise land and buildings as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

17. Accounting policies - continued -**Equity investments in group enterprises**

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a consolidation method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the income statement at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at EUR 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

17. Accounting policies - continued -

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

17. Accounting policies - continued -**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Current and deferred tax

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

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

17. Accounting policies - continued -**Payables**

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.