

LB International Holding ApS

Vestre Havnepromenade 5, 9000 Aalborg

CVR no. 31 07 13 72

Annual report for the financial year 01.07.19 - 30.06.20

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 03.11.20

Lars Bentzen
Dirigent

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The company

LB International Holding ApS
Secondary firm name: NTU International Holding ApS
Vestre Havnepromenade 5
9000 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

Banks

Nykredit Bank
Spar Nord Bank

Subsidiarie

NTU International A/S, Aalborg

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.07.19 - 30.06.20 for LB International Holding ApS.

The annual report is presented in accordance with 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 30.06.20 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.07.19 - 30.06.20.

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, November 3, 2020

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 01.07.19 - 30.06.20, 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 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 30.06.20 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.07.19 - 30.06.20 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for conclusion

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

The Management is responsible for the preparation of consolidated financial statements and parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company 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 parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company 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 parent company 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 parent company 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.

Aalborg, November 3, 2020

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	2019/20	2018/19	2017/18
<i>Profit/loss</i>			
Revenue	17,077	20,484	19,869
Gross profit	3,365	3,534	2,821
Profit/loss before depreciation, amortisation, write-downs and impairment losses	684	1,426	952
Operating profit/loss	675	1,418	943
Total net financials	34	-59	-96
Profit before tax	708	1,223	827
Profit for the year	542	938	646
<i>Balance</i>			
Total assets	21,916	20,119	15,701
Current assets	21,865	20,063	15,638
Equity	4,141	3,600	2,660
Short-term payables	16,471	15,491	12,248
<i>Cashflow</i>			
Net cash flow:			
Operating activities	2,756	-94	2,041
Investing activities	-3	-1	-2
Financing activities	115	-243	-195
Cash flows for the year	2,868	-338	1,844

Ratios

	2019/20	2018/19	2017/18
<i>Profitability</i>			
Return on equity	14.0%	30.0%	27.6%
Gross margin	19.7%	17.3%	14.2%
Profit margin	4.0%	6.9%	4.7%
Asset turnover	0.8	1.1	1.5
Acid test ratio	132.8%	129.5%	127.2%
<i>Equity ratio</i>			
Equity interest	18.9%	17.9%	16.9%
<i>Others</i>			
Number of employees (average)	42	40	34

Ratios definitions

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

The ratios have been computed in accordance with the recommendations of the Danish Society of Financial Analysts (Den Danske Finansanalytikerforening).

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 services within the engineering and economic disciplines including especially technical assistance to authorities and institutions.

Development in activities and financial affairs

The income statement for the period 01.07.19 - 30.06.20 shows a profit/loss of EUR 541,692 against EUR 938,384 for the period 01.07.18 - 30.06.19. The balance sheet shows equity of EUR 4,140,623.

The management in NTU International A/S 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 taking into consideration the COVID-19 pandemic and the derived adaptations that such a Worldincident would require,

The earnings expectations for the financial year 01.07.19 - 30.06.20 were a net profit of EUR 385k. The objective was met primarily due to a better gross profit than expected.

NTU International A/S has in the period 1 July 2019 - 30 June 2020 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 2021 - 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 management in NTU International A/S has ensured participation in range of projects that will be implemented in the period until 2023 through newly awarded international tenders, resulting in higher turnover in the years to come. Due to the fact that the company's capacity have 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 A/S continuously works through a meticulously planned knowledge management strategy where knowledge is consolidated in a data bank and spread to relevant professional resource personnel. The company has been ISO 9001-2015 certified since 2019 which ensure the knowledge resources as well as internal and external learning.

Branches abroad

NTU International A/S has a branch in Albania. The branch is in charge of consultancy services and technical assistance in the Albanian market.

Note	Group		Parent		
	2019/20 EUR	2018/19 EUR	2019/20 EUR	2018/19 EUR	
	Revenue	17,076,982	20,484,202	0	0
	Other operating income	66,913	0	0	0
	Cost of sales	-13,274,650	-16,392,058	0	0
	Other external expenses	-504,600	-558,154	-2,909	-2,023
	Gross result	3,364,645	3,533,990	-2,909	-2,023
1	Staff costs	-2,681,128	-2,107,672	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	683,517	1,426,318	-2,909	-2,023
	Depreciation and impairments losses of property, plant and equipment	-8,576	-8,576	0	0
	Other operating expenses	0	-136,126	0	0
	Profit/loss before net financials	674,941	1,281,616	-2,909	-2,023
	Income from equity investments in group enterprises	0	0	552,281	939,487
	Financial income	90,437	10,863	7	621
	Financial expenses	-56,920	-69,895	-10,187	-1
	Profit before tax	708,458	1,222,584	539,192	938,084
	Tax on profit or loss for the year	-160,900	-284,200	2,500	300
	Other taxes	-5,866	0	0	0
	Total tax	-166,766	-284,200	2,500	300
	Profit for the year	541,692	938,384	541,692	938,384

2 Distribution of net profit

ASSETS		Group		Parent	
		30.06.20 EUR	30.06.19 EUR	30.06.20 EUR	30.06.19 EUR
Note	Other fixtures and fittings, tools and equipment	10,937	17,139	0	0
3	Total property, plant and equipment	10,937	17,139	0	0
4	Equity investments in group enterprises	0	0	4,569,767	4,018,106
5	Deposits	40,046	38,995	0	0
	Total investments	40,046	38,995	4,569,767	4,018,106
	Total non-current assets	50,983	56,134	4,569,767	4,018,106
6	Work in progress for third parties	10,512,735	12,328,042	0	0
	Trade receivables	5,495,669	5,062,371	0	0
8	Deferred tax asset	0	0	2,800	300
	Income tax receivable	8,832	0	0	2,744
	Other receivables	388,955	87,111	0	0
	Prepayments	25,024	19,268	0	0
	Total receivables	16,431,215	17,496,792	2,800	3,044
7	Cash	5,433,451	2,566,055	1,046	541
	Total current assets	21,864,666	20,062,847	3,846	3,585
	Total assets	21,915,649	20,118,981	4,573,613	4,021,691

EQUITY AND LIABILITIES		Group		Parent	
		30.06.20 EUR	30.06.19 EUR	30.06.20 EUR	30.06.19 EUR
Note					
	Share capital	16,773	16,748	16,773	16,748
	Reserve for net revaluation according to the equity method	0	0	4,152,742	3,601,081
	Retained earnings	4,123,850	3,582,803	-28,892	-18,278
	Total equity	4,140,623	3,599,551	4,140,623	3,599,551
8	Provisions for deferred tax	1,189,400	1,028,500	0	0
	Total provisions	1,189,400	1,028,500	0	0
9	Other payables	114,939	0	0	0
	Total long-term payables	114,939	0	0	0
9	Short-term part of long-term payables	0	0	0	0
	Payables to other credit institutions	27	0	0	0
6	Prepayments received from work in progress for third parties	721,912	1,340,806	0	0
	Trade payables	15,390,133	13,664,779	2,201	3,685
	Payables to group enterprises	0	0	430,787	418,455
	Income taxes	0	106,546	0	0
	Other payables	350,126	353,371	2	0
	Deferred income	8,489	25,428	0	0
	Total short-term payables	16,470,687	15,490,930	432,990	422,140
	Total payables	16,585,626	15,490,930	432,990	422,140
	Total equity and liabilities	21,915,649	20,118,981	4,573,613	4,021,691

- 10 Contingent liabilities
 11 Charges and security
 12 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 01.07.18 - 30.06.19			
Balance as at 01.07.18	16,773	0	2,642,894
Foreign currency translation adjustment of foreign enterprises	0	0	1,500
Other changes in equity	-25	0	25
Net profit/loss for the year	0	0	938,384
Balance as at 30.06.19	16,748	0	3,582,803
Statement of changes in equity for 01.07.19 - 30.06.20			
Balance as at 01.07.19	16,748	0	3,582,803
Foreign currency translation adjustment of foreign enterprises	0	0	-620
Other changes in equity	25	0	-25
Net profit/loss for the year	0	0	541,692
Balance as at 30.06.20	16,773	0	4,123,850
Parent:			
Statement of changes in equity for 01.07.18 - 30.06.19			
Balance as at 01.07.18	16,773	2,659,473	-16,579
Foreign currency translation adjustment of foreign enterprises	0	2,121	-621
Other changes in equity	-25	0	25
Net profit/loss for the year	0	939,487	-1,103
Balance as at 30.06.19	16,748	3,601,081	-18,278
Statement of changes in equity for 01.07.19 - 30.06.20			
Balance as at 01.07.19	16,748	3,601,081	-18,278
Foreign currency translation adjustment of foreign enterprises	0	-620	0
Other changes in equity	25	0	-25
Net profit/loss for the year	0	552,281	-10,589
Balance as at 30.06.20	16,773	4,152,742	-28,892

Consolidated cash flow statement

Note	Group	
	2019/20 EUR	2018/19 EUR
	541,692	938,384
Profit for the year		
13 Adjustments	135,959	351,808
Change in working capital:		
Receivables	460,026	-4,537,791
Trade payables	1,726,840	3,300,831
Other payables relating to operating activities	-26,181	-90,367
Cash flows from operating activities before net financials	2,838,336	-37,135
Interest income and similar income received	90,437	10,073
Interest expenses and similar expenses paid	-57,630	-67,375
Income tax paid	-115,288	0
Cash flows from operating activities	2,755,855	-94,437
Purchase of property, plant and equipment	-2,374	0
Purchase of investments	-1,051	-994
Disposal of investments	0	62
Cash flows from investing activities	-3,425	-932
Arrangement of other long-term payables	114,939	0
Repayment of other long-term payables	0	-242,537
Cash flows from financing activities	114,939	-242,537
Total cash flows for the year	2,867,369	-337,906
Cash, beginning of year	2,566,055	2,903,961
Cash, end of year	5,433,424	2,566,055
Cash, end of year, comprises:		
Cash	5,433,451	2,566,055
Short-term payables to credit institutions	-27	0
Total	5,433,424	2,566,055

	Group		Parent	
	2019/20 EUR	2018/19 EUR	2019/20 EUR	2018/19 EUR

1. Staff costs

Wages and salaries	2,524,814	1,937,367	0	0
Pensions	17,857	25,115	0	0
Other social security costs	79,861	77,234	0	0
Other staff costs	58,596	67,956	0	0
Total	2,681,128	2,107,672	0	0

Average number of employees during the year	42	40	0	0
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Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	788,155	511,978	0	0
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2. Distribution of net profit

Reserve for net revaluation according to the equity method	0	0	552,281	939,487
Retained earnings	541,692	938,384	-10,589	-1,103
Total	541,692	938,384	541,692	938,384

3. Property, plant and equipment

Figures in EUR	Other fixtures and fittings, tools and equipment
Group:	
Cost as at 01.07.19	42,877
Additions during the year	2,374
Cost as at 30.06.20	45,251
Depreciation and impairment losses as at 01.07.19	-25,738
Depreciation during the year	-8,576
Depreciation and impairment losses as at 30.06.20	-34,314
Carrying amount as at 30.06.20	10,937

4. Equity investments in group enterprises

Figures in EUR	Equity invest- ments in group enterprises
Parent:	
Cost as at 01.07.19	417,024
Cost as at 30.06.20	417,024
Revaluations as at 01.07.19	3,601,082
Foreign currency translation adjustment of foreign enterprises	-620
Net profit/loss from equity investments	552,281
Revaluations as at 30.06.20	4,152,743
Carrying amount as at 30.06.20	4,569,767

Name and registered office:	Ownership interest	Equity EUR	Net profit/loss for the year EUR	Recognised value EUR
Subsidiaries:				
NTU International A/S, Aalborg	100%	4,569,767	552,281	4,569,767

5. Other non-current financial assets

Figures in EUR	Deposits
Group:	
Cost as at 01.07.19	38,993
Additions during the year	1,053
Cost as at 30.06.20	40,046

	Group		Parent	
	30.06.20	30.06.19	30.06.20	30.06.19
	EUR	EUR	EUR	EUR

6. Work in progress for third parties

Work in progress for third parties	33,676,772	29,077,505	0	0
On-account invoicing	-23,885,949	-18,090,269	0	0
Work in progress for third parties	9,790,823	10,987,236	0	0
Work in progress for third parties	10,512,735	12,328,042	0	0
Prepayments received from work in progress for third parties, short-term payables	-721,912	-1,340,806	0	0
Total	9,790,823	10,987,236	0	0

7. Cash

As security for engagement with credit institution NTU International A/S has made a deposit of EUR 116k on secure accounts.

	Group		Parent	
	30.06.20 EUR	30.06.19 EUR	30.06.20 EUR	30.06.19 EUR

8. Deferred tax

Deferred tax as at 01.07.19	1,028,500	744,300	-300	0
Deferred tax recognised in the income statement	160,900	284,200	-2,500	-300
Deferred tax as at 30.06.20	1,189,400	1,028,500	-2,800	-300

Deferred tax is distributed as below:

Property, plant and equipment	-2,000	-1,500	0	0
Receivables	1,362,300	1,125,900	0	0
Liabilities	-800	-800	0	0
Tax losses	-170,100	-95,100	-2,800	-300
Total	1,189,400	1,028,500	-2,800	-300

9. Long-term payables

Figures in EUR	Repayment first year	Outstanding debt after 5 years	Total payables at 30.06.20
Group:			
Other payables	0	114,939	114,939
Total	0	114,939	114,939

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

10. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 23 months and average lease payments of EUR 2k, a total of EUR 48k.

The company has a rental lease for the premises of the operation. The lease is irredeemable until 31 December 2020. The annual rent per 30 June 2020 is EUR 98k, a total of EUR 49k.

11. Charges and security

Group:

The enterprise has provided a company charge of EUR 939k as security for guarantees of EUR 3,749k provided by credit institutions to third parties. As at 30.06.20, 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 5,496k

As security for engagement with credit institutions the company has made a deposit on secure accounts of EUR 116k.

12. Related parties

Controlling influence	Basis of influence	
Lars Bentzen, Skovbakkevej 4, 9000 Aalborg	Owner of LB International Holding ApS	
	Group	Parent
	30.06.20	30.06.20
Balances	EUR	EUR
Payables to group enterprises	0	-430,787

Payables to group companies recognised under short-term payables consist of balances which are settled on an ongoing basis and in accordance with the company's standard terms of agreement and payment. No write-downs have been made on the receivables.

	Group	
	2019/20	2018/19
	EUR	EUR
Depreciation and impairments losses of property, plant and equipment	8,576	8,576
Financial income	-90,437	-10,863
Financial expenses	56,920	69,895
Tax on profit or loss for the year	160,900	284,200
Total	135,959	351,808

13. Adjustments for the cash flow statement

14. 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. Enterprises in which the group holds equity investments, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

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.

14. 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.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT**Revenue**

Income from the delivery of services is recognised as delivery takes place, 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 income from services is recognised in step with delivery.

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.

14. Accounting policies - continued -**Cost of sales**

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

Other external expenses

Other external expenses comprise selling costs, vehicle expenses, cost of premises and administrative expenses as well as other capacity costs, including bad debts to the extent that these do not exceed normal write-downs.

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 life, year	Residual value, per cent
Other plant, fixtures and fittings, tools and equipment	5	0

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.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

14. Accounting policies - continued -**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.

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 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.

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.

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

Equity investments in subsidiaries are measured in the balance sheet of the parent according to the equity method, meaning that these 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 positive or negative goodwill and gains and losses on transactions with the enterprises in question.

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.

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.

14. Accounting policies - continued -**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.

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 in subsidiaries is recognised 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.

14. Accounting policies - continued -

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.

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.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

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.

14. Accounting policies - continued -

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 and short-term payables to credit institutions.