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# ***ZUPA BrandBox A/S***

Studsgade 22, DK-8000 Aarhus C

## **Annual Report for 1 July 2019 - 30 June 2020**

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CVR No 31 16 29 63

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
26/11 2020

Lone Kragh  
Chairman of the General  
Meeting



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## Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ZUPA BrandBox A/S for the financial year 1 July 2019 - 30 June 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2020 of the Company and of the results of the Company operations for 2019/20.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 26 November 2020

### Executive Board

Peer Brændholt

### Board of Directors

Albert Crilles Sebastian Funder  
Chairman

Petter Pablo Sommerfelt-  
Venegas

Jens Hjortshøj

Mads Heide Mikkelsen

Peer Brændholt

Mogens Kristensen

Lars Bo Hansen

Michael Kaltoft Paterson

Morten Eskildsen

Jesper Angelsø Hjortshøj

Lone Kragh

Peter Herlev Enevoldsen

# Independent Auditor's Report

To the Shareholder of ZUPA BrandBox A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ZUPA BrandBox A/S for the financial year 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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, in our view, 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 in Management's Review.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

# Independent Auditor's Report

ment, 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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

# Independent Auditor's Report

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.

Aarhus, 26 November 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Lars Østergaard

statsautoriseret revisor

mne26806

## Company Information

### The Company

ZUPA BrandBox A/S  
Studsgade 22  
DK-8000 Aarhus C

Telephone: + 45 8730 9800  
Website: [www.Zupa.dk](http://www.Zupa.dk)

CVR No: 31 16 29 63  
Financial period: 1 July - 30 June  
Municipality of reg. office: Aarhus

### Ownership

The following shareholders are recorded in the Company's register of shareholders as carrying a minimum of 5% of the votes or 5% of the share capital:

Spring Family ApS  
Studsgade 22  
DK-8000 Aarhus C  
(equity interest 100 %)

### Ultimate parent company

Spring Partner Holding ApS  
Studsgade 22  
DK-8000 Aarhus C  
(controlling interest)

### Consolidated financial statements

The consolidated financial statements are prepared by the parent company:

Spring Family ApS  
Studsgade 22  
DK-8000 Aarhus C

### Board of Directors

Albert Crilles Sebastian Funder, Chairman  
Petter Pablo Sommerfelt-Venegas  
Jens Hjortshøj  
Mads Heide Mikkelsen  
Peer Brændholt  
Mogens Kristensen  
Lars Bo Hansen  
Michael Kaltoft Paterson  
Morten Eskildsen  
Jesper Angelsø Hjortshøj

## Company Information

Lone Kragh  
Peter Herlev Enevoldsen

### **Executive Board**

Peer Brændholt

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

### **Lawyers**

Bech-Bruun  
Værkmestergade 2  
8000 Aarhus C

### **Bankers**

Nordea Bank A/S  
Skt. Clemens Torv 2  
8000 Aarhus C



# **Management's Review**

## **Key activities**

The object of the Company is to carry on business in advertising and any business related thereto.

## **Development in the year**

Results for the year show a loss of DKK 200,907 against DKK 474,128 in 2018/19.

The reason for the positive development (despite the loss) is primarily improved gross profit.

Despite the loss realised, Company Management considers the results for the year satisfactory.

Reference is made to note 1 to the Annual Report for details on COVID-19.

Equity amounts to DKK 389,072 as at 30 June 2020.

## **Capital resources**

As of 30 June 2020, the Company lost its share of the share capital. Company Management expects capital to be restored through current earnings.

## **Targets and expectations for the year ahead**

A positive result is expected for the next year. Furthermore, Company Management expects that the liquidity necessary for conducting operations in 2020/2021 will be made available.

## **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 July - 30 June

|  | Note | 2019/20<br>DKK   | 2018/19<br>DKK   |
|--|------|------------------|------------------|
| <b>Gross profit/loss</b>   |      | <b>8.940.237</b> | <b>8.661.894</b> |
| Staff expenses   | 2    | -9.031.450       | -9.086.441       |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 3    | -140.789         | -125.515         |
| <b>Profit/loss before financial income and expenses</b>  |      | <b>-232.002</b>  | <b>-550.062</b>  |
| Financial expenses   | 4    | -25.139          | -56.777          |
| <b>Profit/loss before tax</b>  |      | <b>-257.141</b>  | <b>-606.839</b>  |
| Tax on profit/loss for the year  | 5    | 56.234           | 132.711          |
| <b>Net profit/loss for the year</b>  |      | <b>-200.907</b>  | <b>-474.128</b>  |

## Distribution of profit

### Proposed distribution of profit

|                   |  |                 |                 |
|-------------------|--|-----------------|-----------------|
| Retained earnings |  | -200.907        | -474.128        |
|                   |  | <b>-200.907</b> | <b>-474.128</b> |

# Balance Sheet 30 June

## Assets

|  | Note | 2020<br>DKK      | 2019<br>DKK      |
|--|------|------------------|------------------|
| Other fixtures and fittings, tools and equipment |      | 142.415          | 250.869          |
| <b>Property, plant and equipment</b>             | 6    | <b>142.415</b>   | <b>250.869</b>   |
| <b>Fixed assets</b>                              |      | <b>142.415</b>   | <b>250.869</b>   |
| Trade receivables                                |      | 6.624.648        | 6.769.700        |
| Contract work in progress                        | 7    | 509.157          | 1.072.130        |
| Receivables from group enterprises               |      | 1.959.462        | 300              |
| Other receivables                                |      | 0                | 95.202           |
| Deferred tax asset                               | 9    | 57.700           | 0                |
| Corporation tax                                  |      | 95.436           | 155.848          |
| Prepayments                                      |      | 93.410           | 124.668          |
| <b>Receivables</b>                               |      | <b>9.339.813</b> | <b>8.217.848</b> |
| <b>Cash at bank and in hand</b>                  |      | <b>0</b>         | <b>36.742</b>    |
| <b>Currents assets</b>                           |      | <b>9.339.813</b> | <b>8.254.590</b> |
| <b>Assets</b>                                    |      | <b>9.482.228</b> | <b>8.505.459</b> |

# Balance Sheet 30 June

## Liabilities and equity

|  | Note      | 2020<br>DKK      | 2019<br>DKK      |
|--|-----------|------------------|------------------|
| Share capital  |           | 500.000          | 500.000          |
| Retained earnings  |           | -110.928         | 89.979           |
| <b>Equity</b>  | <b>8</b>  | <b>389.072</b>   | <b>589.979</b>   |
| Provision for deferred tax                                     | 9         | 0                | 36.000           |
| <b>Provisions</b>  |           | <b>0</b>         | <b>36.000</b>    |
| Other payables   |           | 548.127          | 0                |
| <b>Long-term debt</b>  | <b>10</b> | <b>548.127</b>   | <b>0</b>         |
| Credit institutions  |           | 1.405.641        | 2.517            |
| Prepayments received from customers                            |           | 2.507.110        | 678.339          |
| Trade payables   |           | 929.555          | 1.398.551        |
| Payables to group enterprises                                  |           | 495.199          | 4.307.566        |
| Other payables   | 10        | 3.207.524        | 1.492.507        |
| <b>Short-term debt</b>   |           | <b>8.545.029</b> | <b>7.879.480</b> |
| <b>Debt</b>  |           | <b>9.093.156</b> | <b>7.879.480</b> |
| <b>Liabilities and equity</b>                                  |           | <b>9.482.228</b> | <b>8.505.459</b> |
| Unusual events   | 1         |                  |                  |
| Contingent assets, liabilities and other financial obligations | 11        |                  |                  |
| Accounting Policies  | 12        |                  |                  |

## Statement of Changes in Equity

|                              | Share capital  | Retained earnings | Total          |
|------------------------------|----------------|-------------------|----------------|
|                              | DKK            | DKK               | DKK            |
| Equity at 1 July             | 500.000        | 89.979            | 589.979        |
| Net profit/loss for the year | 0              | -200.907          | -200.907       |
| <b>Equity at 30 June</b>     | <b>500.000</b> | <b>-110.928</b>   | <b>389.072</b> |

# Notes to the Financial Statements

## 1 Unusual events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy.

The Company carries on business in marketing and advertising, and its customers are not assessed to be significantly affected by COVID-19; thus, the outbreak of COVID-19 has not affected and is not expected to affect the Company noticeably.

|                                    | 2019/20<br>DKK   | 2018/19<br>DKK   |
|------------------------------------|------------------|------------------|
| <b>2 Staff expenses</b>            |                  |                  |
| Wages and salaries                 | 8.443.570        | 8.478.988        |
| Pensions                           | 500.802          | 496.113          |
| Other social security expenses     | 87.078           | 111.340          |
|                                    | <b>9.031.450</b> | <b>9.086.441</b> |
| <b>Average number of employees</b> | <b>14</b>        | <b>16</b>        |

## 3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

|  |                |                |
|--|----------------|----------------|
| Depreciation of property, plant and equipment    | 140.789        | 125.515        |
|  | <b>140.789</b> | <b>125.515</b> |
| Which is specified as follows:                   |                |                |
| Other fixtures and fittings, tools and equipment | 140.789        | 125.515        |
|  | <b>140.789</b> | <b>125.515</b> |

## 4 Financial expenses

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Interest paid to group enterprises | 10.410        | 53.043        |
| Other financial expenses           | 14.729        | 3.734         |
|                                    | <b>25.139</b> | <b>56.777</b> |

# Notes to the Financial Statements

|   | 2019/20<br>DKK | 2018/19<br>DKK  |
|---|----------------|-----------------|
| <b>5 Tax on profit/loss for the year</b>    |                |                 |
| Current tax for the year                    | 37.466         | -132.902        |
| Deferred tax for the year                   | -93.700        | 100             |
| Adjustment of tax concerning previous years | 0              | 91              |
|   | <b>-56.234</b> | <b>-132.711</b> |

## 6 Property, plant and equipment

|   | Other fixtures<br>and fittings,<br>tools and<br>equipment<br>DKK |
|---|--|
| Cost at 1 July                                | 445.877  |
| Additions for the year                        | 32.335   |
| Cost at 30 June                               | 478.212  |
| Impairment losses and depreciation at 1 July  | 195.008  |
| Depreciation for the year                     | 140.789  |
| Impairment losses and depreciation at 30 June | 335.797  |
| <b>Carrying amount at 30 June</b>             | <b>142.415</b>   |

|                                    | 2020<br>DKK    | 2019<br>DKK      |
|------------------------------------|----------------|------------------|
| <b>7 Contract work in progress</b> |                |                  |
| Selling price of work in progress  | 512.471        | 1.072.274        |
| Payments received on account       | -3.314         | -144             |
|                                    | <b>509.157</b> | <b>1.072.130</b> |

# Notes to the Financial Statements

## 8 Equity

The share capital consists of 500,000 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## 9 Deferred tax asset

|                                   | 2020<br>DKK | 2019<br>DKK   |
|-----------------------------------|-------------|---------------|
| Property, plant and equipment     | -20.000     | -6.000        |
| Contract work in progress         | -33.000     | 42.000        |
| Amortization                      | -5.000      | 0             |
| Tax loss carry-forward            | 300         | 0             |
| Transferred to deferred tax asset | 57.700      | 0             |
|                                   | <b>0</b>    | <b>36.000</b> |

Deferred tax has been provided at 22% corresponding to the expected current tax rate.

### Deferred tax asset

|                        |               |          |
|------------------------|---------------|----------|
| Calculated tax asset   | 57.700        | 0        |
| <b>Carrying amount</b> | <b>57.700</b> | <b>0</b> |

## 10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

### Other payables

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Between 1 and 5 years     | 548.127          | 0                |
| Long-term part            | 548.127          | 0                |
| Other short-term payables | 3.207.524        | 1.492.507        |
|                           | <b>3.755.651</b> | <b>1.492.507</b> |



# Notes to the Financial Statements

## 11 Contingent assets, liabilities and other financial obligations

### Guarantee obligations

Surety has been provided to the companies Spring Family ApS, Spring Production A/S, ZUPA Aarhus A/S and ZUPA Copenhagen A/S. The underlying bank loans amount to DKK 6,732k as at 30 June 2020.

As security for the Company's own balance with Nordea Bank and those of ZUPA Copenhagen A/S, Spring Production A/S and ZUPA Aarhus A/S, an all monies mortgage of DKK 3,000k registered to the mortgagor on the companies' receivables, inventories, operating equipment and goodwill has been provided. Book value of the assets totals DKK 6,767k as of 30 June 2020, and bank loans constitute DKK 5,635k.

### Other contingent liabilities

The Company has entered into a lease on a car. The lease expires on 10 January 2021, and the remaining liability equals DKK 38k.

In addition, the Company has entered into a lease agreement on a photo copying machine leased from ZUPA Aarhus A/S. The agreement expires on 31 January 2024, and the remaining liability totals DKK 210k of which the Company's share amounts to DKK 42k.

The group companies are jointly and severally liable for tax on the group's jointly taxed income etc. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, royalty tax and tax on unearned income. Any subsequent adjustments to corporation taxes and withholding taxes may imply that the Company's liability is higher.

# Notes to the Financial Statements

## 12 Accounting Policies

The Annual Report of ZUPA BrandBox A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019/20 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

# Notes to the Financial Statements

## 12 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Expenses for consumables

Expenses for consumables comprise the consumables consumed to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

# Notes to the Financial Statements

## 12 Accounting Policies (continued)

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

|  |      |       |
|--|------|-------|
| Other fixtures and fittings, tools and equipment | 3-10 | years |
|--|------|-------|

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 14,100 are expensed in the year of acquisition.

# Notes to the Financial Statements

## 12 Accounting Policies (continued)

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

### Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

# Notes to the Financial Statements

## 12 Accounting Policies (continued)

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.