Danish Marine Service ApS

Karetmagervej 1, 9490 Pandrup

Company reg. no. 31 57 82 56

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 31 May 2019.

Tham Yew Hong
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The managing director has today presented the annual report of Danish Marine Service ApS for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively at 31 December 2018, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2018.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Pandrup, 31 May 2019

Managing Director

Tham Yew Hong
Director

Independent auditor's report

To the shareholders of Danish Marine Service ApS

Opinion

We have audited the consolidated annual accounts and the annual accounts of Danish Marine Service ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2018 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the consolidated annual accounts and the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the consolidated annual accounts and the annual accounts

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

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group’s and the company’s ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the consolidated annual accounts and the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 company's internal control.

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the group's and 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 consolidated annual accounts and the annual accounts 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 annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated annual accounts and the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the consolidated annual accounts or the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the consolidated annual accounts and the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Aalborg, 31 May 2019

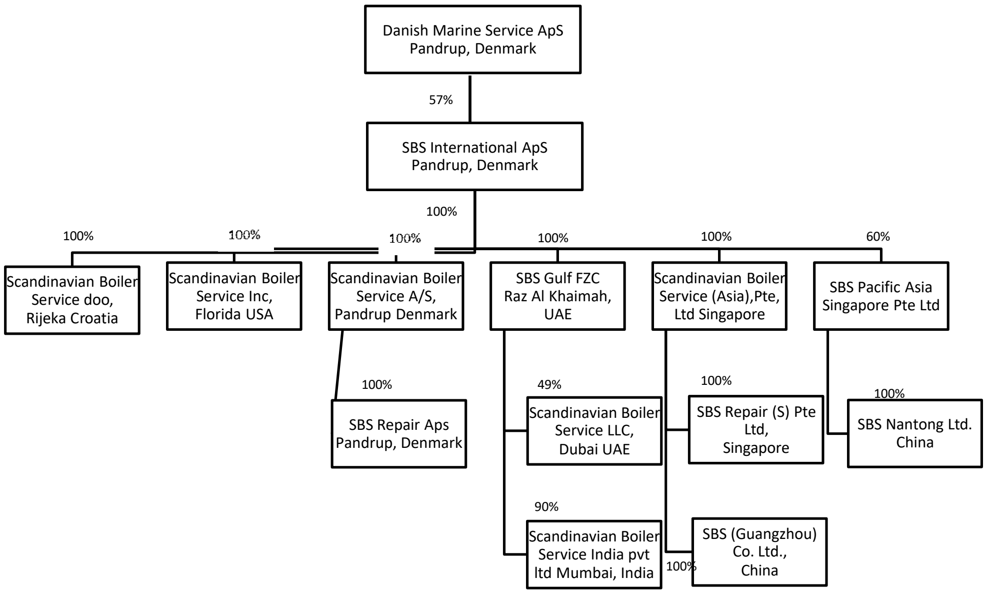
Redmark
State Authorised Public Accountants
Company reg. no. 29 44 27 89

Marian Fruergaard
State Authorised Public Accountant
mne24699

Company data

The company	Danish Marine Service ApS Karetmagervej 1 9490 Pandrup	
	Phone	+4570271000
	Fax	+4570271001
	Web site	www.sbs-international.com
	Company reg. no.	31 57 82 56
	Established:	1 June 2008
	Domicile:	Pandrup
	Financial year:	1 January - 31 December
Managing Director	Tham Yew Hong, Director	
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Subsidiaries	SBS International ApS, Pandrup Scandinavian Boiler Service A/S, Pandrup Scandinavian Boiler Service Inc., USA Scandinavian Boiler Service (Asia) Pte. Ltd., Singapore SBS Gulf FZE, UAE Scandinavian Boiler Service LLC, UAE Scandinavian Boiler Service India Pte. Ltd., India SBS Pacific Asia Pte. Ltd., Singapore Scandinavian Boiler Service Nantong Ltd., China Scandinavian Boiler Service doo, Croatia SBS Repair ApS, Pandrup SBS Repair Pte Ltd., Singapore SBS (China) Pte. Ltd. (Strike off at the 6st. of August 2018), Singapore SBS Repair (Guangzhou) Co. Ltd., China	

Koncernoversigt



Consolidated financial highlights

DKK in thousands.	2018	2017	2016	2015	2014
Profit and loss account:					
Gross profit	43.742	64.261	53.811	61.995	64.175
Results from operating activities	-10.163	-3.427	1.937	5.388	8.903
Net financials	-1.624	-2.569	-2.446	-2.061	-2.028
Results for the year	-12.958	-6.541	396	1.121	694
Balance sheet:					
Balance sheet sum	69.777	107.764	97.484	98.411	90.528
Investments in tangible fixed assets represent	-6.580	-3.200	-539	-1.019	-857
Equity	7.105	19.161	17.090	18.569	7.467
Cash flow:					
Operating activities	6.499	-2.494	3.441	719	167
Investment activities	8.761	-4.272	-1.480	-2.176	-857
Financing activities	-16.787	-746	-1.092	-2.163	-1.236
Cash flow in total	-1.527	-7.512	870	-3.620	-1.927
Employees:					
Average number of full time employees	104	109	92	101	121
Key figures in %:					
Solvency ratio	-5,7	3,3	6,0	7,6	8,2
Return on equity	-	-92,7	-18,9	-16,3	10,5

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management's review

The principal activities of the group

The activity of the group are sales, service and repair within the maritime business sector.

Development in activities and financial matters

The gross profit for the year is DKK 43.742K against DKK 64.261K last year. The results after tax of the year are DKK -12.958K against DKK -6.541K last year. This is after provision of DKK 2.406K for doubtful debts and write off DKK 1.596K of deferred tax asset.

he management considers the results for unsatisfactory.

The parent company have lost the contributed capital during 2018. The management expects to reestablish the contributed capital in the comming years with positive results.

The expected development

The group is in the process of moving the holding company to Singapore in view of better management control, strategic location, its economic & political stability, pro-business stance, a skilled workforce and world-class infrastructure.

The move will lead to a restructuring of the subsidiaries under a newly incorporated company in Singapore named SBS Engineering Holdings Pte Ltd.

The restructuring process will divide into two steps. The 1st step in the restructuring will be share by share exchange where the current shareholders in SBS International Aps exchange their shares in SBS International ApS with shares in SBS Engineering Holdings Pte Ltd at Net Book Value.

And 2nd step is SBS International ApS to transfer the shares in subsidiaries to SBS Engineering Holdings Pte Ltd also at Net Book Value.

Beside the reconstruction of the group structure, the merging of repair sales has taken place in this year and this will help the group gain economies of scale, reduce internal competition and become more profitable in coming years.

The product range of the company will continue to expand organically adding to our core business volume, but to win new markets outside our present business fields, it is decided to pursue other segments where our competences and organization allows for it, without incurring unacceptable risk or high demand for investments.

The market outlook for SBS remain positive for the coming 2-3 years, as the new building market for ships will be very slow due IMO-regulations coming into force and a general over supply of ships over the previous years.

The tanker market has weakened somewhat, cruise market is stable and the container market seems to find its consolidation in 2019, with more solid earnings. Only the bulk market will continue to bleed, minimum until 2019, but as this is the least profitable segment, it is much less important to SBS.

A Synergy has developed after centralizing Repair Order handling in Singapore. The order book for repair marginal grew by 3.5% despite the weak global outlook. Based on these changes the group's expectation for the coming year is a much improved result compared to 2018.

The average years of service of our Service Engineers is at least 5 years therefore they are fully trained and experienced to handle all jobs. The average training period for a fresh Service Engineer generally takes 2 to 3 years on the job in order to attain the minimum service quality required from them.

Our Spare Parts and Trading is keeping with market trend in pricing and responsiveness therefore this part is "business as usual".

Our Project and Retrofit has gone into its 4th years of Operation therefore we have now gained much exposure and experience to effectively stays in this segment to provide further growth of the organization. We have now centralized the main operation hub for Projects and Retrofits within SBS Europe doo for better command and control with much flexibility to re-act as well provide quick solutions.

Therefore the Management has great faith and optimism moving forward.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have materiel impact on the financial position of the company .

Profit and loss account 1 January - 31 December

All amounts in DKK.

		Group		Parent enterprise	
Note		2018	2017	2018	2017
	Gross profit	**43.742.318**	**64.260.987**	**-24.625**	**-19.450**
2	Staff costs	-50.444.519	-64.607.600	0	0
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-2.348.807	-3.080.354	0	0
	Other operating costs	-1.112.262	0	0	0
	Operating profit	**-10.163.270**	**-3.426.967**	**-24.625**	**-19.450**
	Income from equity investments in group enterprises	0	0	-6.951.456	-3.301.770
	Other financial income	466.961	178.535	0	0
3	Other financial costs	-2.090.636	-2.747.241	-1.131.161	-1.050.804
	Results before tax	**-11.786.945**	**-5.995.673**	**-8.107.242**	**-4.372.024**
	Tax on ordinary results	-1.171.073	-544.928	0	0
4	**Results for the year**	**-12.958.018**	**-6.540.601**	**-8.107.242**	**-4.372.024**
	The Group result is distributed as follows:				
	Shareholders in Danish Marine Service ApS	-8.107.242	-4.372.024		
	Minority interests	-4.850.776	-2.168.577		
		-12.958.018	**-6.540.601**		

Balance sheet 31 December

All amounts in DKK.

Assets

Note		Group 2018	Group 2017	Parent enterprise 2018	Parent enterprise 2017
	Fixed assets				
5	Goodwill	4.978.519	5.632.332	0	0
	Intangible fixed assets in total	4.978.519	5.632.332	0	0
6	Land and property	30.965.599	40.917.785	0	0
7	Production plant and machinery	757.721	1.192.487	0	0
8	Other plants, operating assets, and fixtures and furniture	713.611	862.052	0	0
	Tangible fixed assets in total	32.436.931	42.972.324	0	0
9	Equity investments in group enterprises	0	0	18.529.952	24.941.483
10	Deposits	57.032	0	0	0
	Financial fixed assets in total	57.032	0	18.529.952	24.941.483
	Fixed assets in total	**37.472.482**	**48.604.656**	**18.529.952**	**24.941.483**

Balance sheet 31 December

All amounts in DKK.

Assets

Note		Group 2018	Group 2017	Parent enterprise 2018	Parent enterprise 2017
	Current assets				
	Raw materials and consumables	10.056.564	10.246.544	0	0
	Inventories in total	10.056.564	10.246.544	0	0
	Trade debtors	15.071.126	33.237.175	0	0
11	Work in progress for the account of others	521.801	6.031.404	0	0
12	Deferred tax assets	530.184	2.023.668	0	0
	Receivable corporate tax	0	443.165	0	0
	Other debtors	1.327.466	933.844	0	0
13	Accrued income and deferred expenses	227.294	146.816	0	0
	Debtors in total	17.677.871	42.816.072	0	0
	Available funds	4.569.618	6.096.325	0	0
	Current assets in total	**32.304.053**	**59.158.941**	**0**	**0**
	Assets in total	**69.776.535**	**107.763.597**	**18.529.952**	**24.941.483**

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

		Group		Parent enterprise	
Note		2018	2017	2018	2017
	Equity				
14	Contributed capital	125.000	125.000	125.000	125.000
15	Reserves for net revaluation as per the equity method	0	0	0	3.442.624
16	Results brought forward	-4.124.694	3.442.623	-4.124.693	0
	Equity before non-controlling interest.	-3.999.694	3.567.623	-3.999.693	3.567.624
	Minority interests	11.104.231	15.593.704	0	0
	Equity in total	**7.104.537**	**19.161.327**	**-3.999.693**	**3.567.624**
	Provisions				
17	Other provisions	82.700	83.246	0	0
	Provisions in total	**82.700**	**83.246**	**0**	**0**
	Liabilities				
18	Mortgage debt	12.641.054	12.351.378	0	0
19	Leasing liabilities	1.088.096	1.085.794	0	0
20	Debt to group enterprises	15.040.788	14.265.287	15.040.788	14.265.287
	Long-term liabilities in total	28.769.938	27.702.459	15.040.788	14.265.287

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2018	Group 2017	Parent enterprise 2018	Parent enterprise 2017
	Liabilities	953.189	855.080	0	0
	Bank debts	3.402.838	19.952.761	0	0
	Prepayments received from customers	1.182.719	481.157	0	0
11	Prepayments received from customers concerning work in progress for the account of others	741.777	2.496.182	0	0
	Trade creditors	3.919.564	13.650.653	20.000	20.000
	Debt to group enterprises	17.311.187	16.292.062	7.468.857	7.088.572
	Corporate tax	176.264	659.483	0	0
	Other debts	6.131.822	6.429.187	0	0
	Short-term liabilities in total	33.819.360	60.816.565	7.488.857	7.108.572
	Liabilities in total	**62.589.298**	**88.519.024**	**22.529.645**	**21.373.859**
	Equity and liabilities in total	**69.776.535**	**107.763.597**	**18.529.952**	**24.941.483**

1 Special items

21 Mortgage and securities

22 Contingencies

23 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	Minority interests	In total
Equity 1 January 2017	125.000	0	5.737.080	11.228.406	17.090.486
Share of results	0	0	-4.372.024	-2.168.577	-6.540.601
Exchange rate adjustments	0	0	-782.572	-590.362	-1.372.934
Write up land and property	0	0	9.686.078	7.307.041	16.993.119
Aquired minority	0	0	-6.825.939	-182.804	-7.008.743
Equity 1 January 2018	125.000	0	3.442.623	15.593.704	19.161.327
Share of results	0	0	-8.107.242	-4.850.776	-12.958.018
Exchange rate adjustments	0	0	539.925	361.303	901.228
	125.000	**0**	**-4.124.694**	**11.104.231**	**7.104.537**

Statement of changes in equity of the parent enterprise

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	In total
Equity 1 January 2017	125.000	3.126.747	2.610.333	5.862.080
Share of results	0	315.877	-4.687.901	-4.372.024
Exchange rate adjustments	0	0	-782.572	-782.572
Aquired minority	0	0	-6.825.947	-6.825.947
Equity posting in group entreprices	0	0	9.686.087	9.686.087
Equity 1 January 2018	125.000	3.442.624	0	3.567.624
Share of results	0	-3.442.624	-4.664.618	-8.107.242
Exchange rate adjustments	0	0	539.925	539.925
	125.000	**0**	**-4.124.693**	**-3.999.693**

Cash flow statement 1 January - 31 December

All amounts in DKK.

Note		Group 2018	2017
	Results for the year	-12.958.018	-6.540.601
24	Adjustments	7.105.946	6.120.841
25	Change in working capital	14.106.158	1.115.501
	Cash flow from operating activities before net financials	8.254.086	695.741
	Interest received and similar amounts	466.961	152.096
	Interest paid and similar amounts	-2.090.636	-2.501.324
	Cash flow from ordinary activities	6.630.411	-1.653.487
	Corporate tax paid	-131.573	-840.467
	Cash flow from operating activities	**6.498.838**	**-2.493.954**
	Purchase of tangible fixed assets	-6.579.937	-3.199.994
	Sale of tangible fixed assets	15.398.254	0
	Purchase of financial fixed assets	-57.032	0
	Aquired minority	0	-1.071.774
	Cash flow from investment activities	**8.761.285**	**-4.271.768**
	Raising of long-term debts	14.556.466	0
	Repayments of long-term debt	-13.808.825	-658.069
	Change in short-term bank facilities	-17.534.471	-87.863
	Cash flow from financing activities	**-16.786.830**	**-745.932**
	Changes in available funds	**-1.526.707**	**-7.511.654**
	Available funds 1 January 2018	6.096.325	13.607.979
	Available funds 31 December 2018	**4.569.618**	**6.096.325**

Available funds		
Available funds	4.569.618	6.096.325
Available funds 31 December 2018	**4.569.618**	**6.096.325**

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature in proportion to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any gains and losses related and which over time have a significant impact. Special items also include other significant amounts of non-recurring nature.

As mentioned in the management's review, the results for the year are affected by a number of factors that differ from what the management consider a part of the operating profit.

Special items for the year are specified below, showing where these are recognised in the income profit and loss account.

	Group	
	2018	2017
Costs:		
Writedown of fixed assets	0	-750.000
Loss on sale of fixed assets	-1.112.262	0
Provision doubtful debts	-2.406.000	0
	-3.518.262	-750.000
Special items are recognised in the following items in the annual accounts:		
Other external costs	2.406.000	0
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	0	750.000
Other operating costs	1.112.262	0
Results of special items, net	**3.518.262**	**750.000**

2. Staff costs

Salaries and wages	45.578.285	57.805.082
Pension costs	3.208.469	3.994.209
Other costs for social security	1.657.765	2.808.309
	50.444.519	**64.607.600**
Average number of employees	104	109

Notes

All amounts in DKK.

		Group 2018	Group 2017	Parent enterprise 2018	Parent enterprise 2017
3.	**Other financial costs**				
	Financial costs, group enterprises	732.580	699.087	1.088.240	1.035.943
	Other financial costs	1.358.056	2.048.154	42.921	14.861
		2.090.636	**2.747.241**	**1.131.161**	**1.050.804**

		Parent enterprise 2018	Parent enterprise 2017
4.	**Proposed distribution of the results**		
	Reserves for net revaluation as per the equity method	-3.442.624	315.877
	Disposed from results brought forward	-4.664.618	-4.687.901
	Distribution in total	**-8.107.242**	**-4.372.024**

		Group 31/12 2018	Group 31/12 2017
5.	**Goodwill**		
	Cost 1 January 2018	11.664.771	14.408.261
	Disposals during the year	0	-2.743.490
	Cost 31 December 2018	**11.664.771**	**11.664.771**
	Revaluation 1 January 2018	-6.032.439	-6.636.280
	Amortisation and writedown for the year	-653.813	-653.819
	Amortisation and writedown, assets disposed of	0	1.257.660
	Revaluation 31 December 2018	**-6.686.252**	**-6.032.439**
	Book value 31 December 2018	**4.978.519**	**5.632.332**

Notes

All amounts in DKK.

		Group	
		31/12 2018	31/12 2017
6.	**Land and property**		
	Cost 1 January 2018	29.964.459	29.659.796
	Additions during the year	6.217.153	2.088.564
	Disposals during the year	-15.344.404	0
	Currency alignment	770.992	-1.783.901
	Cost 31 December 2018	**21.608.200**	**29.964.459**
	Revaluation 1 January 2018	16.993.124	0
	Revaluations for the year	0	16.993.124
	Revaluations, assets disposed of	-5.867.460	0
	Currency alignment	594.280	0
	Revaluation 31 December 2018	**11.719.944**	**16.993.124**
	Depreciation and writedown 1 January 2018	-6.039.798	-4.802.816
	Depreciation and writedown for the year	-652.316	-1.370.237
	Currency alignment	-76.997	133.255
	Depreciation and writedown, assets disposed of	4.406.566	0
	Depreciation and writedown 31 December 2018	**-2.362.545**	**-6.039.798**
	Book value 31 December 2018	**30.965.599**	**40.917.785**

Notes

All amounts in DKK.

		Group 31/12 2018	Group 31/12 2017
7.	**Production plant and machinery**		
	Cost 1 January 2018	2.888.764	5.096.290
	Additions during the year	57.185	1.424.253
	Disposals during the year	-275.626	-3.444.841
	Currency alignment	64.699	-186.938
	Cost 31 December 2018	**2.735.022**	**2.888.764**
	Depreciation and writedown 1 January 2018	-1.696.277	-4.647.858
	Depreciation and writedown for the year	-295.603	-313.251
	Currency alignment	-64.883	181.852
	Depreciation and writedown, assets disposed of	79.462	3.082.980
	Depreciation and writedown 31 December 2018	**-1.977.301**	**-1.696.277**
	Book value 31 December 2018	**757.721**	**1.192.487**
	Leased assets are included with a book value of	112.785	167.112

		Group 31/12 2018	Group 31/12 2017
8.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	7.939.225	9.617.298
	Additions during the year	474.984	512.301
	Disposals during the year	-242.805	-1.797.109
	Currency alignment	205.606	-393.265
	Cost 31 December 2018	**8.377.010**	**7.939.225**
	Depreciation and writedown 1 January 2018	-7.077.173	-8.232.212
	Depreciation and writedown for the year	-631.859	-743.047
	Currency alignment	-191.215	389.076
	Depreciation and writedown, assets disposed of	236.848	1.509.010
	Depreciation and writedown 31 December 2018	**-7.663.399**	**-7.077.173**
	Book value 31 December 2018	**713.611**	**862.052**
	Leased assets are included with a book value of	641.988	496.458

Notes

All amounts in DKK.

		Parent enterprise 31/12 2018	31/12 2017
9.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2018	17.193.106	22.622.508
	Disposals during the year	0	-5.429.402
	Cost 31 December 2018	**17.193.106**	**17.193.106**
	Revaluations, opening balance 1 January 2018	12.165.353	8.783.427
	Results for the year before goodwill amortisation	-6.517.070	-2.867.384
	Reversal of prior revaluations	0	-2.108.022
	Currency alignment	539.925	-782.572
	Other movements in capital	0	9.139.904
	Revaluation 31 December 2018	**6.188.208**	**12.165.353**
	Amortisation of goodwill, opening balance 1 January 2018	-4.416.976	-5.240.250
	Amortisation of goodwill for the year	-434.386	-434.386
	Reversal of amortisation of goodwill concerning disposals	0	1.257.660
	Depreciation on goodwill 31 December 2018	**-4.851.362**	**-4.416.976**
	Book value 31 December 2018	**18.529.952**	**24.941.483**
	The items include goodwill with an amount of	3.836.340	4.270.726

Group enterprises:

	Domicile	**Share of ownership**
SBS International ApS	Pandrup	57 %
Scandinavian Boiler Service A/S	Pandrup	57 %
Scandinavian Boiler Service Inc.	USA	57 %
Scandinavian Boiler Service (Asia) Pte. Ltd.	Singapore	57 %
SBS Gulf FZE	UAE	100 %
Scandinavian Boiler Service LLC	UAE	49 %
Scandinavian Boiler Service India Pte. Ltd.	India	90 %
SBS Pacific Asia Pte. Ltd.	Singapore	34 %
Scandinavian Boiler Service Nantong Ltd.	China	34 %
Scandinavian Boiler Service doo	Croatia	57 %
SBS Repair ApS	Pandrup	57 %
SBS Repair Pte Ltd.	Singapore	57 %
SBS (China) Pte. Ltd. (Strike off at the 6st. of August 2018)	Singapore	57 %
SBS Repair (Guangzhou) Co. Ltd.	China	57 %

Notes

All amounts in DKK.

		Group 31/12 2018	31/12 2017
10.	**Deposits**		
	Additions during the year	57.032	0
	Cost 31 December 2018	**57.032**	**0**
	Book value 31 December 2018	**57.032**	**0**

		31/12 2018	31/12 2017
11.	**Work in progress for the account of others**		
	Sales value of the production of the period	1.594.431	3.535.222
	Payments on account received	-1.814.407	0
	Work in progress for the account of others, net	**-219.976**	**3.535.222**
	The following is recognised:		
	Work in progress for the account of others (Current assets)	521.801	6.031.404
	Work in progress for the account of others(Short-term liabilities)	-741.777	-2.496.182
		-219.976	**3.535.222**

		31/12 2018	31/12 2017
12.	**Deferred tax assets**		
	Deferred tax assets 1 January 2018	2.023.668	2.261.327
	Defered tax of the result of the year	-1.493.484	-237.659
		530.184	**2.023.668**
	The following items are subject to deferred tax:		
	Current assets	530.184	530.184
	Losses brought forward from previous years	0	1.493.484
		530.184	**2.023.668**

Based on the budgets, the management finds it likely that future taxable income will be available, by which booked unutilised tax losses and unutilised tax deductions may be utilised.

		31/12 2018	31/12 2017
13.	**Accrued income and deferred expenses**		
	Other prepayments/deferred income	227.294	146.816
		227.294	**146.816**

Notes

All amounts in DKK.

	Group 31/12 2018	Group 31/12 2017	Parent enterprise 31/12 2018	Parent enterprise 31/12 2017
14. Contributed capital				
Contributed capital 1 January 2018	125.000	125.000	125.000	125.000
	125.000	**125.000**	**125.000**	**125.000**

	Parent enterprise 31/12 2018	Parent enterprise 31/12 2017
15. Reserves for net revaluation as per the equity method		
Reserves for net revaluation 1 January 2018	3.442.624	3.126.747
Share of results	-3.442.624	315.877
	0	**3.442.624**

	Group 31/12 2018	Group 31/12 2017	Parent enterprise 31/12 2018	Parent enterprise 31/12 2017
16. Results brought forward				
Results brought forward 1 January 2018	3.442.623	5.737.080	0	2.610.333
Profit or loss for the year brought forward	-8.107.242	-3.944.424	-4.664.618	-4.687.901
Currency alignment	539.925	367.197	539.925	-782.572
Adjustment - Aquirered Minority	0	-1.589.203	0	-6.825.947
Equity posting in group entreprices	0	2.871.973	0	9.686.087
	-4.124.694	**3.442.623**	**-4.124.693**	**0**

	Group 31/12 2018	Group 31/12 2017
17. Other provisions		
Provisions for guarentee	82.700	83.246
	82.700	**83.246**

Notes

All amounts in DKK.

		Group 31/12 2018	Group 31/12 2017
18.	**Mortgage debt**		
	Mortgage debt in total	13.230.913	12.904.620
	Share of amount due within 1 year	-589.859	-553.242
		12.641.054	**12.351.378**
	Share of liabilities due after 5 years	10.286.000	9.336.000
19.	**Leasing liabilities**		
	Leasing liabilities in total	1.451.426	1.387.632
	Share of amount due within 1 year	-363.330	-301.838
		1.088.096	**1.085.794**
	Share of liabilities due after 5 years	0	0

		Group		Parent enterprise	
		31/12 2018	31/12 2017	31/12 2018	31/12 2017
20.	**Debt to group enterprises**				
	Debt to group enterprises in total	15.040.788	14.265.287	15.040.788	14.265.287
	Share of amount due within 1 year	0	0	0	0
	Debt to group enterprises in total	**15.040.788**	**14.265.287**	**15.040.788**	**14.265.287**
	Share of liabilities due after 5 years	0	0	0	0

Notes

All amounts in DKK.

21. Mortgage and securities

Group

As security for mortgage debts, DKK 13.230.913, mortgage has been granted on land and buildings representing a book value of DKK 30.965.599 at 31 December 2018.

The group has insured owners mortgage at a total amount of DKK 1.500.000 as security for bank debts. The owners mortgage provided mortgages in land and buildings whose caarying amount at 31. december 2018 is DKK 2.132.592.

The group has issued a blank debentures as guarantee for the payment of rent payabales DKK. 2.630.000.

22. Contingencies

Contingent liabilities

Group

Leasing liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of DKK 125.000. The leasing contracts have 12 months left to run, and the total outstanding leasing payment is DKK 125.000.

Recourse guarantee commitments

The group has entered into a rent building contract that experis on December 1. 2019. The annual rent is currently DKK 156.000.

Joint taxation

Parent company

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Notes

All amounts in DKK.

23. Related parties

Controlling interest

Danish Marine Holding GbR Kaiserstrasse 4 Kiel Germany	Majority shareholder

	Group 2018	Group 2017
24. Adjustments		
Depreciation and amortisation	3.461.069	3.080.354
Other financial income	-466.961	-152.096
Other financial costs	2.090.636	2.501.324
Tax on ordinary results	1.171.073	544.928
Other adjustments	850.129	146.331
	7.105.946	**6.120.841**
25. Change in working capital		
Change in inventories	189.980	-606.964
Change in debtors	23.201.552	89.277
Change in trade creditors and other liabilities	-9.285.374	1.633.188
	14.106.158	**1.115.501**

Accounting policies used

The annual report for Danish Marine Service ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

Changes in the accounting policies used

Due to use of incorrect accounting policies, the accounting policies have been changed in the following areas:

1 During the financial year, the company reclassified short-term bank facilities in the cash flow statement due to a precise interpretation. Previously, bank facilities were presented as the part of the company's cash and cash equivalents, in the future they will be presented as part of the financing activity. The comparative figures for 2017 have been adjusted accordingly.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The consolidated annual accounts

The consolidated annual accounts comprise the parent company Danish Marine Service ApS and those group enterprises of which Danish Marine Service ApS directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

Positive balances (goodwill) between cost and fair value of the acquired, identifiable assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and in accordance with an individual evaluation allocated on a systematic basis over their useful lives in the profit and loss account. Negative balances (negative goodwill) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

Goodwill and negative goodwill from acquirees may be adjusted until 12 months after the acquisition.

Minority interests

The items of the group enterprises are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the group enterprises are adjusted annually, and they are recognised as a separate item below the profit and loss account and as a separate item in the balance sheet respectively.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning construction contracts is recognised concurrently in the net turnover with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The parent enterprise and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises. The parent enterprise acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Buildings	30 years
Technical plants and machinery	5-10 years
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Accounting policies used

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the group holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The group's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Other securities and equity investments

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Accounting policies used

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be been entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it is probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Accounting policies used

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Danish Marine Service ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Danish Marine Service ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or “Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carryover, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the group.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Accounting policies used

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.