BEIERHOLM
VI SKABER BALANCE

Specialisterne Foundation, Erhvervsdrivende Fond

Lautruphøj 1, 2750 Ballerup
CVR no. 32 15 46 97

Annual report for 2020

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 31.05.21

Lars Laier Henriksen
Dirigent

Table of contents

Foundation information etc.

The foundation

Specialisterne Foundation, Erhvervsdrivende Fond
Lautruphøj 1
2750 Ballerup
Registered office: Ballerup
CVR no.: 32 15 46 97
Financial year: 01.01 - 31.12

Executive Board

Steen Breining Lohse

Board of Directors

Thorkil Sonne
Lars Laier Henriksen
William Ervin Hoover
Henriette Fenger Ellekrog
Isabella Arendt Vlasman
Ramon Bernat Serra
Marie Ringler

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.20 - 31.12.20 for Specialisterne Foundation, Erhvervsdrivende Fond.

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

In our opinion, the financial statements give a true and fair view of the foundation's assets, liabilities and financial position as at 31.12.20 and of the results of the foundation's activities for the financial year 01.01.20 - 31.12.20.

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

Ballerup, May 31, 2021

Executive Board

Steen Breining Lohse

Board of Directors

Thorkil Sonne Chairman	Lars Laier Henriksen	William Ervin Hoover
Henriette Fenger Ellekrog	Isabella Arendt Vlasman	Ramon Bernat Serra
Marie Ringler		

To the Board of Directors of Specialisterne Foundation, Erhvervsdrivende Fond

Opinion

We have audited the financial statements of Specialisterne Foundation, Erhvervsdrivende Fond for the financial year 01.01.20 - 31.12.20, 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. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the foundation's assets, liabilities and financial position at 31.12.20 and of the results of the foundation's operations for the financial year 01.01.20 - 31.12.20 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 financial statements” section of our report. We are independent of the foundation 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 financial statements

The Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the foundation'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 foundation 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 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 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 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 foundation'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 foundation'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 foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Soeborg, Copenhagen, May 31, 2021

Beierholm

Statsautoriseret Revisionspartnerselskab

CVR no. 32 89 54 68

Henrik Agner Hansen

State Authorized Public Accountant

MNE-no. mne28682

Financial performance

Profit/loss for the year reached a profit of k. DKK 15 compared to last year's loss of K.DKK 235.

Profit/loss for the year leads to equity of K.DKK 642 at 31 December 2020 and the balance sheet total amounts to K.DKK 2.659.

According to Management, the result for the year is satisfactory in a year of uncertainty due to the COVID-19 situation.

SPF expects a solid development in activities aiming at supporting the global corporate clients and Specialisterne operations worldwide. However, the foundation will need further funding in 2021 - 2023 to support the expected activities and international expansion.

SPF sold its 4.72 % of shares in Specialisterne Spain to Comberci. Comberci is the holding company of Specialisterne Spain and the main hub for all activities in LATAM Latin America; Mexico, Puerto Rico, Brazil, Chile, Argentina and Italy, Spain, Portugal, The partnership is underlined with long term agreements on development and strengthening Specialisterne footprint in LATAM.

Statutory report on foundation governance

The Board of Directors has published its report on foundation governance on the Foundation'd website:
https://specialisternefoundation.com/wp-content/uploads/2021/05/Foundation-governance-2019.pdf

Statutory report on distribution policy

The Foundation does not distribute.

Events after the balance sheet date

In January 2021 SPF received a major donation from US entity Workday and Workday Foundation due to SPFs long commitment to improve equality in the workplace for autistic people . This gift significantly improves the overall financial situation for SPF and allows the Specialisterne Group to increase its impact in 2021.

Primary activities

Specialisterne Foundation (SPF) is a commercial non-profit foundation founded on the pioneering work of Specialisterne, Denmark, the original entity that devised the core systems for including autistic and neurodivergent (ADHD, OCD, dyslexia etc.) persons in the labour market. SPF's goal is to enable one million jobs for autistic/ neurodivergent persons around the world by 2030 in line with the Sustainable Development Goals (SDGs).

SPF owns 100 % of shares in Specialisterne ApS in Denmark, and is sole member in Specialisterne USA, Specialisterne Canada, and Specialisterne Singapore. SPF governs the international activities performed by Specialisterne entities.

SPF has worked with a team in France to establish Specialisterne France in April 2021.

Job creation for "untapped autistic/neurodivergent talents

SPF's primary focus area is autism – a complex pervasive developmental condition that generally affects the communication and interaction between the individual and the environment. The number of individuals diagnosed with autism in school and adult stage continues to grow at a rapid rate. According to the US Center for Disease Control, autism is expected to affect 1 in 54 children in USA.

In line with a growing number of individuals diagnosed with autism and other neurodiverse conditions, the critical need for programs that harness the skills and abilities of these persons is growing.

Vision & Mission

SPF's vision is a world where people are given equal opportunities in the labour market. Our mission is to transform labour markets to become inclusive for autistic and neurodivergent persons and ensure that they are thriving at workplaces.

We believe that inclusive environments and diverse communities have a positive impact on all stakeholders and not just autistic/neurodivergent persons. In order to achieve this, SPF shares best practices, disseminates knowledge and co-creates local adaption of the knowledge derived from Specialisterne and followers.

SPF's ambition is to develop services with clients, partners and followers who work with autistic/neurodivergent persons and document the positive social impact via research.

Operating model

SPF gets its earned income from licensing the Specialisterne model and provision of consulting, training and support services for Specialisterne entities or clients with interest in achieving and operating the intellectual property.

In addition, SPF is working with other foundations to strengthen capacity in communities to include and support autistic/neurodivergent persons in families, schools, and labour market. SPF's ability to successfully seek and receive donations and grants for global and local capacity building and project implementations is critical for the scaling and addressing the interest from stakeholders around the world.

Future focus

To remove the divide between education and employment, we will seek to work with partners with expertise in inclusion of autistic/neurodivergent youth in families and the education system.

Going forward we will focus on major geographical markets and put an emphasis on partnerships in order to address the needs of "invisible disabilities" and how to address these with our core narrative "A weed becomes an herb in the a welcoming environment".

We will collaborate with communities and other stakeholders to expand access to careers across sectors, types of businesses and types of work.

In the light of COVID-19 crisis, the target groups need new ways to access the support and knowledge offered by SPF. The ability to deliver our model online and via remote presence technologies have been underscored by the outbreak of the COVID-19 pandemic. The entire Specialisterne group has been successful moving work on-line and.

Overall, the trend for employment of autistic and Neurodivergent talent is trending upwards across corporations and the entire Specialisterne group expects higher levels of activity in 2021 and 2022.

SPF is committed to be innovative and seek novel solutions to challenges and needs arising from this pandemic.

Impact

All over the globe, companies are discovering the autism advantage. Visionary business leaders are discovering the variety of talents that autistic persons possess.

- Autistic employees are creating incredible results for the organisations they are working in.
- Hundreds of employment initiatives supported by Specialisterne and followers have taken place in hundreds of companies.
- These programmes have created jobs for thousands of autistic persons around the world.

There is a simple reason for this. Today, it is no longer a secret that neurodiversity programmes can create value for businesses.

It's a fact.

Professor Rob Austin and his team at Ivey Business School have researched best practises and found three major benefits:

First. Neurodiversity employment programs help companies access maximum talent. This can help them prevail in an innovation-based competition.

- Second. When a work environment is designed to better fit autistic persons, or for others who are neurodivergent, the workspace usually turns out to benefit all employees.
- Third. When companies implement neurodiversity employment programs, it makes all employees feel good about their work and the company.

People like a neurodiverse workspace better.

Management

Thorkil Sonne, who founded Specialisterne Denmark in 2003 and SPF in 2008 will continue to engage stakeholders worldwide. Thorkil Sonne is Chairman.

Due to unforeseen events, our COO Henrik Thomsen had to go on sick leave in September 2020. The Board of Directors decided to promote Steen B. Lohse as Managing Director for SPF. Steen B. Lohse has also been appointed to the Board of Specialisterne Australia.

SPF utilizes staff from Specialisterne operations and other partners on short term basis to assist with the domain-specific knowledge needed in SPF's project activities.

International operations and partnerships

No important events have occurred after the end of the financial year. The Specialisterne employment model is subject to strong interest globally from countries seeking proven innovative solutions to social challenges. SPF has great opportunities to grow the presence of Specialisterne in many new areas, to establish strong local and global partnerships and to build collaborations with the corporate sector. Specialisterne is recognized internationally as the leading brand within the employment of autistic people.

SPF drives the planning process for starting up Specialisterne entities in new locations and works with local partners on implementing the concept. SPF owns the Specialisterne brand and develops websites for the local Specialisterne operations as well as supporting the global and local market communications. The SPF management team provides coaching, operational support, and business development support to local Specialisterne operations and partners.

With the financial support from private foundations and donors, including the LEGO Foundation (Denmark),), Workday (USA), European Commission and local partners, SPF has significantly consolidated its international activities.

International Operations

At the end of 2020 SPF is represented through Specialisterne offices in the following countries:

Australia
Austria
Brazil
Canada
Denmark
France
Iceland
Ireland
Italy
Northern Ireland
Spain
USA

In 2020 SPF participated in three European Union supported project with funding from EU Erasmus+ KA2 – Cooperation for innovation and the exchange of good practises.

Income statement

Note		2020 DKK	2019 DKK
	Revenue	**3,537,213**	**3,361,194**
	Other operating income	733,602	0
	Other external expenses	-1,663,912	-910,591
	Gross profit	**2,606,903**	**2,450,603**
2	Staff costs	-3,135,742	-2,417,124
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**-528,839**	**33,479**
3	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-142,982	-244,916
	Loss before net financials	**-671,821**	**-211,437**
	Income from other investments and receivables that are fixed assets	743,939	0
4	Financial income	69,599	0
5	Financial expenses	-126,514	-23,921
	Profit/loss for the year	**15,203**	**-235,358**

Proposed appropriation account

	2020 DKK	2019 DKK
Retained earnings	15,203	-235,358
Total	**15,203**	**-235,358**

Balance sheet

ASSETS

Note		31.12.20 DKK	31.12.19 DKK
	Completed development projects	277,200	415,800
6	**Total intangible assets**	**277,200**	**415,800**
	Other fixtures and fittings, tools and equipment	14,961	5,843
7	**Total property, plant and equipment**	**14,961**	**5,843**
8	Equity investments in group enterprises	770,001	770,001
	Deposits	0	22,413
	Total investments	**770,001**	**792,414**
	Total non-current assets	**1,062,162**	**1,214,057**
	Trade receivables	304,052	1,060,277
	Receivables from group enterprises	0	16,874
	Other receivables	1,036,745	102,842
	Prepayments	33,067	23,992
	Total receivables	**1,373,864**	**1,203,985**
	Cash	**223,413**	**1,388,224**
	Total current assets	**1,597,277**	**2,592,209**
	Total assets	**2,659,439**	**3,806,266**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.20 DKK	31.12.19 DKK
	Contributed capital	750,001	750,001
	Reserve for development costs	215,904	324,012
	Retained earnings	-323,755	-447,066
	Total equity	**642,150**	**626,947**
9	Other payables	349,258	92,891
	Total long-term payables	**349,258**	**92,891**
	Trade payables	104,899	616,922
	Payables to group enterprises	970,911	0
	Other payables	592,221	1,269,506
	Deferred income	0	1,200,000
	Total short-term payables	**1,668,031**	**3,086,428**
	Total payables	**2,017,289**	**3,179,319**
	Total equity and liabilities	**2,659,439**	**3,806,266**

Rights of first refusal

Statement of changes in equity

Figures in DKK	Contributed capital	Reserve for developmen t costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.19 - 31.12.19				
Balance as at 01.01.19	750,001	432,120	-319,816	862,305
Other changes in equity	0	-108,108	108,108	0
Net profit/loss for the year	0	0	-235,358	-235,358
Balance as at 31.12.19	750,001	324,012	-447,066	626,947
Statement of changes in equity for 01.01.20 - 31.12.20				
Balance as at 01.01.20	750,001	324,012	-447,066	626,947
Transfers to/from other reserves	0	-108,108	108,108	0
Net profit/loss for the year	0	0	15,203	15,203
Balance as at 31.12.20	750,001	215,904	-323,755	642,150

1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2020 DKK	2019 DKK
Recognition of income, outdated VAT debt	Other operating income	733,602	0
Gain on sale, Specialisterne S.L.(Spain)	Income from other investments and receivables that are fixed assets	743,939	0
Total		1,477,541	0

2. Staff costs

Wages and salaries	2,954,092	1,977,281
Pensions	231,590	333,500
Other social security costs	24,427	20,136
Other staff costs	-74,367	86,207
Total	3,135,742	2,417,124
Average number of employees during the year	4	3

3. Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment

Amortisation of intangible assets	138,600	240,534
Depreciation of property, plant and equipment	4,382	4,382
Total	142,982	244,916

	2020 DKK	2019 DKK

4. Financial income

Other interest income	412	0
Foreign currency translation adjustments	69,187	0
Total	69,599	0

5. Financial expenses

Other interest expenses	5,312	6,941
Foreign exchange losses	118,058	15,786
Other financial expenses	3,144	1,194
Total	126,514	23,921

6. Intangible assets

Figures in DKK	Completed development projects
Cost as at 01.01.20	2,448,032
Disposals during the year	-1,485,897
Cost as at 31.12.20	962,135
Amortisation and impairment losses as at 01.01.20	-2,032,232
Amortisation during the year	-138,600
Reversal of amortisation of and impairment losses on disposed assets	1,485,897
Amortisation and impairment losses as at 31.12.20	-684,935
Carrying amount as at 31.12.20	277,200

The aim of development in activities is to support the global corporate clients and Specialisterne operations worldwide. SPF excpects that the development projects in progress are completed within 1-3 years.

7. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.20	13,147
Additions during the year	13,500
Cost as at 31.12.20	26,647
Depreciation and impairment losses as at 01.01.20	-7,304
Depreciation during the year	-4,382
Depreciation and impairment losses as at 31.12.20	-11,686
Carrying amount as at 31.12.20	14,961

8. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 01.01.20	770,001
Cost as at 31.12.20	770,001
Carrying amount as at 31.12.20	770,001

Name and registered office:	Ownership interest	Equity DKK	Net profit/loss for the year DKK
Subsidiaries:			
Specialisterne ApS, Danmark	100%	1,452,804	1,193,381

9. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.20	Total payables at 31.12.19
Other payables, holiday allowance (frozen)	245,748	349,258	92,891
Total	245,748	349,258	92,891

10. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B.

The accounting policies have been applied consistently with previous years.

In accordance with section 110 of the Danish Financial Statements Act, the foundation has not prepared consolidated financial statements.

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 foundation, 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 foundation, 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.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and other operating income and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

10. Accounting policies - continued -

Other operating income

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

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and 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, amortisation and impairment losses

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

	Useful lives, years	Residual value, per cent
Completed development projects	4	0
Other plant, fixtures and fittings, tools and equipment	3	0

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

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

Income from equity investments in group entreprises

Dividends from equity investments measured at cost are recognised as income in the financial year in which the dividend is declared.

10. Accounting policies - continued -

Income from other investments and receivables that are fixed assets

Interest income, dividends, unrealised capital gains and realised gains on disposal are recognised under this item.

Other net financials

Interest income and interest expenses 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.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the foundation in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

10. Accounting policies - continued -

Gains and losses on the disposal of intangible assets

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

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, amortisation 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.

Equity investments in group entreprises

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

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

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed

10. Accounting policies - continued -

annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the foundation'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.

If dividends are distributed on equity investments in subsidiaries exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

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 foundation.

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.

10. Accounting policies - continued -

Equity

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Distributions

The Foundation does not distribute.

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.

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

10. Accounting policies - continued -

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.