BEIERHOLM
VI SKABER BALANCE

Specialisterne Foundation

Lautruphøj 1, 2750 Ballerup

CVR no. 32 15 46 97

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 29.06.23

Lars Laier Henriksen
Dirigent

STATSAUTORISERET
REVISIONSPARTNERSELSKAB

Vi er et uafhængigt medlem af
det globale rådgivnings- og revisionsnetværk

København
Knud Højgaards Vej 9
2860 Søborg

Tel. 39 16 76 00
www.beierholm.dk
CVR-nr. 32 89 54 68

Table of contents

Foundation information etc.	3
Statement by the Board of Directors on the annual report	4
Independent auditor's report	5 - 7
Management's review	8 - 10
Income statement	11
Balance sheet	12 - 13
Statement of changes in equity	14
Notes	15 - 28

Foundation information etc.

The foundation

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

Board of Directors

Thorkil Sonne
Lars Laier Henriksen
William Ervin Hoover
Henriette Fenger Ellekrog
Thure Krarup
Freja Sangild Boysen
Marie Ringler

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for Specialisterne Foundation.

The annual report is presented in accordance with the 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 31.12.22 and of the results of the foundation's activities for the financial year 01.01.22 - 31.12.22.

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

Ballerup, June 29, 2023

Board of Directors

Thorkil Sonne Chairman	Lars Laier Henriksen	William Ervin Hoover
Henriette Fenger Ellekrog	Thure Krarup	Freja Sangild Boysen
Marie Ringler		

To the Board of Directors of Specialisterne Foundation

Opinion

We have audited the financial statements of Specialisterne Foundation for the financial year 01.01.22 - 31.12.22, 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 the 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 31.12.22 and of the results of the foundation's operations for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

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

Statement regarding the management’s review

Management is responsible for management’s review.

Our opinion on the 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.

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.

Soeborg, Copenhagen, June 29, 2023

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Agner Hansen
State Authorized Public Accountant
MNE-no. mne28682

The foundation's distribution policy

The Foundation didnot distribute in 2022.

Statement on foundation governance

Composition of the Board of Directors

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

Primary activities

The foundation's activities in 2022 comprise of coordinating activities within the Specialisterne group while negotiating and taking part in due diligence efforts as needed to prepare a framework agreement for the sale of Specialisterne Foundation owned subsidiaries and the Specialisterne license concept.

At the end of 2022 SPF is represented through Specialisterne offices in the following countries:

Australia
Austria
Brazil
Canada (sole member of charity, owner of for-profit entity)
Denmark (owner)
France
Iceland
India (50% owner through joint venture)
Ireland
Italy
Mexico
Northern Ireland
Spain
USA (sole member of charity)

SPF has been active promoting the mission in networks such as United Nations, World Economic Forum, Ashoka, OECD and the Zero Project.

Financial performance

The income statement for the period 01.01.22 - 31.12.22 shows a profit/loss of DKK -3,113,731 against DKK 510,687 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK -1,421,531.

According to Management, the result for the year is satisfactory in a year of thorough due diligence activities preparing the framework agreement and coordination of activities across the Specialisterne group.

The Specialisterne brand is part of the agreement and as such Specialisterne Foundation is in process of changing name and awaits the approval of updated statutes and brand name from the Danish Business Authorities.

Research and development activities

No research and development activities have been carried out.

Exceptional conditions

Following the strengthened collaboration within the group of Specialisterne hubs during and post COVID- 19 the Specialisterne hub leaders came together and recommended a stronger group structure to scale the collaborative impact in existing and new markets at a global level.

SPF has for the year 2022 dedicated the staff resources to act accordingly and prepare the transfer of the Specialisterne concept to a consolidated Specialisterne group.

The framework agreement with a social investor within the Specialisterne group fell in place in December 2022 but will not affect the annual result until 2023. As result of the agreement SPF will receive funds which will extend and secure the equity.

Impact

SPF has coordinated efforts across the Specialisterne group in support of work with international clients.
We estimate that our efforts so far have led to 20.000+ jobs throughout the Specialisterne group and followers in the form of hundreds of social entrepreneurs or companies who have been inspired and/or trained by Specialisterne.

Events after the balance sheet date

In January 2023 the Danish Business Authorities approved the sale of Specialisterne Foundations subsidies and the Specialisterne concept to the investor from within the Specialisterne group.

Framework agreement closing was finalised in February 2023.
Financial closing is planned for fall 2023.

The financial effect on equity of the agreement will be positive and lead to extending and securing the equity for several years.

Income statement

Note		2022 DKK	2021 DKK
	Revenue	**1,170,941**	**4,624,789**
	Other external expenses	-1,869,696	-2,019,856
	Gross result	**-698,755**	**2,604,933**
2	Staff costs	-2,789,938	-2,682,784
	Loss before depreciation, amortisation, write-downs and impairment losses	**-3,488,693**	**-77,851**
3	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-369,089	-144,586
	Operating loss	**-3,857,782**	**-222,437**
4	Income from equity investments in group enterprises	750,316	735,561
5	Financial income	93,924	19,896
6	Financial expenses	-100,189	-22,333
	Profit/loss before tax	**-3,113,731**	**510,687**
	Tax on profit or loss for the year	0	0
	Profit/loss for the year	**-3,113,731**	**510,687**

Proposed appropriation account

	2022 DKK	2021 DKK
Reserve for net revaluation according to the equity method	450,316	735,561
Retained earnings	-3,564,047	-224,874
Total	**-3,113,731**	**510,687**

Balance sheet

ASSETS

Note		31.12.22 DKK	31.12.21 DKK
	Completed development projects	0	138,600
	Development projects in progress	0	225,297
7	**Total intangible assets**	**0**	**363,897**
	Other fixtures and fittings, tools and equipment	10,015	8,975
8	**Total property, plant and equipment**	**10,015**	**8,975**
9	Equity investments in group enterprises	4,878,447	2,053,566
9	Equity investments in associates	9,242	0
	Total investments	**4,887,689**	**2,053,566**
	Total non-current assets	**4,897,704**	**2,426,438**
	Trade receivables	56,009	714,232
	Receivables from group enterprises	50,685	37,891
	Other receivables	136,951	523,144
	Prepayments	34,171	42,851
	Total receivables	**277,816**	**1,318,118**
	Cash	**1,167,315**	**763,889**
	Total current assets	**1,445,131**	**2,082,007**
	Total assets	**6,342,835**	**4,508,445**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.22 DKK	31.12.21 DKK
	Contributed capital	750,001	750,001
	Reserve for net revaluation according to the equity method	1,725,240	1,283,560
	Reserve for development costs	0	283,840
	Retained earnings	-3,896,772	-616,565
	Total equity	**-1,421,531**	**1,700,836**
10	Other payables	360,604	349,258
	Total long-term payables	**360,604**	**349,258**
	Trade payables	543,424	72,543
	Payables to group enterprises	1,540,796	1,084,022
	Other payables	3,317,802	1,301,786
	Deferred income	2,001,740	0
	Total short-term payables	**7,403,762**	**2,458,351**
	Total payables	**7,764,366**	**2,807,609**
	Total equity and liabilities	**6,342,835**	**4,508,445**

11 Related parties

Statement of changes in equity

Figures in DKK	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for developmen t costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.21 - 31.12.21					
Balance as at 01.01.21	750,001	0	215,904	-323,755	642,150
Net effect of changed accounting policies	0	537,098	0	0	537,098
Adjusted balance as at 01.01.21	750,001	537,098	215,904	-323,755	1,179,248
Foreign currency translation adjustment of foreign enterprises	0	10,901	0	0	10,901
Transfers to/from other reserves	0	0	67,936	-67,936	0
Net profit/loss for the year	0	735,561	0	-224,874	510,687
Balance as at 31.12.21	750,001	1,283,560	283,840	-616,565	1,700,836
Statement of changes in equity for 01.01.22 - 31.12.22					
Balance as at 01.01.22	750,001	1,283,560	283,840	-616,565	1,700,836
Foreign currency translation adjustment of foreign enterprises	0	-8,636	0	0	-8,636
Transfers to/from other reserves	0	0	-283,840	283,840	0
Net profit/loss for the year	0	450,316	0	-3,564,047	-3,113,731
Balance as at 31.12.22	750,001	1,725,240	0	-3,896,772	-1,421,531

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:	2022 DKK	2021 DKK
Impairment losses on intangible assets	Depreciation and amortisation of and impairment losses on intangible assets and property, plant and equipment	-225,297	0
Total		-225,297	0

2. Staff costs

Wages and salaries	2,549,768	2,644,151
Pensions	182,118	183,953
Other social security costs	27,399	31,760
Other staff costs	30,653	-177,080
Total	2,789,938	2,682,784
Average number of employees during the year	4	4

	2022 DKK	2021 DKK

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

	2022 DKK	2021 DKK
Amortisation of intangible assets	138,600	138,600
Impairment losses on intangible assets	225,297	0
Depreciation of property, plant and equipment	5,192	5,986
Total	369,089	144,586

4. Income from equity investments in group enterprises

	2022 DKK	2021 DKK
Share of profit or loss of group enterprises	750,316	735,561
Total	750,316	735,561

5. Financial income

	2022 DKK	2021 DKK
Foreign currency translation adjustments	93,924	5,032
Foreign exchange gains	0	14,864
Total	93,924	19,896

6. Financial expenses

	2022 DKK	2021 DKK
Interest, group enterprises	16,224	15,664
Other interest expenses	2,342	5,240
Foreign exchange losses	52,636	0
Other financial expenses	28,987	1,429
Total	100,189	22,333

7. Intangible assets

Figures in DKK	Completed development projects	Development projects in progress
Cost as at 01.01.22	962,136	225,297
Cost as at 31.12.22	962,136	225,297
Amortisation and impairment losses as at 01.01.22	-823,536	0
Impairment losses during the year	0	-225,297
Amortisation during the year	-138,600	0
Amortisation and impairment losses as at 31.12.22	-962,136	-225,297
Carrying amount as at 31.12.22	0	0

8. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.22	26,647
Additions during the year	6,232
Cost as at 31.12.22	32,879
Depreciation and impairment losses as at 01.01.22	-17,672
Depreciation during the year	-5,192
Depreciation and impairment losses as at 31.12.22	-22,864
Carrying amount as at 31.12.22	10,015

9. Equity investments

Figures in DKK	Equity investments in group enterprises	Equity investments in associates
Cost as at 01.01.22	770,006	0
Additions during the year	2,383,201	9,242
Cost as at 31.12.22	3,153,207	9,242
Revaluations as at 01.01.22	1,283,561	0
Foreign currency translation adjustment of foreign enterprises	-8,636	0
Net profit/loss from equity investments	774,615	0
Dividend relating to equity investments	-300,000	0
Other adjustments relating to equity investments	-24,300	0
Revaluations as at 31.12.22	1,725,240	0
Carrying amount as at 31.12.22	4,878,447	9,242

Name and registered office:	Ownership interest
Subsidiaries:	
Specialisterne ApS, Danmark	100%
Specialisterne Canada Inc, Canada	100%
Associates:	
NEUOWAY PVT LTD, Indien	50%

10. Long-term payables

Figures in DKK	Outstanding debt after 5 years	Total payables at 31.12.22	Total payables at 31.12.21
Other payables, holiday allowance (frozen)	165,389	360,604	349,258
Total	165,389	360,604	349,258

11. Related parties

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

12. 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 with application of provisions for a higher reporting class.

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.

12. Accounting policies - continued -

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.

CURRENCY

The annual report is presented in Danish kroner (DKK).

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

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

12. Accounting policies - continued -

INCOME STATEMENT

Gross result

Gross result comprises revenue 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.

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

12. Accounting policies - continued -

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 and associates

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

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

Income from equity investments in equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

Other net financials

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

Tax on profit/loss for the year

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

12. Accounting policies - continued -

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.

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.

12. Accounting policies - continued -

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 and associates

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Equity investments in associates

Equity investments in associates 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.

The acquisition of equity investments in associates is recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of acquired equity investments are measured at fair value at the date of acquisition.

Equity method

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

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

Gains or losses on disposal 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,

12. Accounting policies - continued -

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.

12. Accounting policies - continued -

Impairment losses on fixed assets

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

Prepayments

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

Cash

Cash includes deposits in bank account.

12. Accounting policies - continued -

Equity

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

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.

12. Accounting policies - continued -

Payables

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

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

Deferred income

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