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**SIMON-KUCHER & PARTNERS STRATEGY & MARKETING CONSULTANTS APS**

**VOGNMAGERGADE 7 1., 1120 KØBENHAVN K**

**ANNUAL REPORT**

**1 JANUARY - 31 DECEMBER 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 26 April 2023**

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**Matthias Liefner, Chairman of the meeting**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 33 16 20 14**

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**COMPANY DETAILS**

<b>Company</b>	SIMON-KUCHER & PARTNERS STRATEGY & MARKETING CONSULTANTS ApS Vognmagergade 7 1. 1120 Copenhagen K
	CVR No.: 33 16 20 14 Established: 22 September 2010 Municipality: Copenhagen Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Andreas von der Gathen Jörg Matthias Krütten
<b>Executive Board</b>	Matthias Liefner
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Rabalderstræde 7, 2. sal 4000 Roskilde
<b>Bank</b>	Danske Bank

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of SIMON-KUCHER & PARTNERS STRATEGY & MARKETING CONSULTANTS ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 26 April 2023

Executive Board

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Matthias Liefner

Board of Directors

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Andreas von der Gathen

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Jörg Matthias Krütten

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SIMON-KUCHER & PARTNERS STRATEGY & MARKETING CONSULTANTS ApS

### Opinion

We have audited the Financial Statements of SIMON-KUCHER & PARTNERS STRATEGY & MARKETING CONSULTANTS ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### Basis for Opinion

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

### Management's Responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

## INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events 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 on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Roskilde, 26 April 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Dan R. Petersen  
State Authorised Public Accountant  
MNE no. mne33210

Jannie Caspersen  
State Authorised Public Accountant  
MNE no. mne47283

## FINANCIAL HIGHLIGHTS

	2022 DKK '000	2021 DKK '000
<b>Income statement</b>		
Gross profit/loss.....	87.073	94.197
Operating profit/loss before depreciation and amortisation (EBITDA).....	35.126	54.818
Operating profit/loss of main activities.....	34.591	54.261
Financial income and expenses, net.....	-624	-504
Profit/loss for the year before tax.....	33.968	53.756
Profit/loss for the year.....	26.447	41.921
<b>Balance sheet</b>		
Total assets.....	50.459	58.719
Equity.....	26.527	42.001
Equity ex minority interests.....	26.527	42.001
<b>Cash flows</b>		
Cash flows from operating activities.....	31.047	32.790
Cash flows from investing activities.....	-205	0
Cash flows from financing activities.....	-42.227	-15.549
Total cash flows.....	-11.385	17.241
Investment in property, plant and equipment.....	-205	0
<b>Key ratios</b>		
Return on invested capital.....	283,4	541,4
Equity ratio.....	52,6	71,5
Return on equity.....	77,2	145,7

The comparative figures have not been adjusted for the change of accounting policy for the years 2018-2020 in accordance with the Danish Financial Statements Act § 101, section 3.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	NWC + intangible and tangible assets (ex goodwill) - provisions - other operating liabilities, non-current
Return on invested capital:	$\frac{\text{Operating Profit/loss adjusted for goodwill amortisation} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## MANAGEMENT COMMENTARY

### **Principal activities**

The principal activities comprise consulting business.

Our sole focus is on unlocking better growth for our clients, increasing their long-term sales, value, and profit. We achieve this by optimizing every lever of their commercial strategy - product, price, innovation, marketing, and sales.

Enabled by deep science and digital capabilities, our projects increase our clients' profitability by an average of 100 to 500 basis points.

### **Development in activities and financial and economic position**

During the year the company has been and is still, growing in Denmark. In order to manage the expected growth, the company continues to invest in skilled employees. To retain its market position, employee training is a continuing effort.

The number of employees has increased during the year. The average number of employees in 2022 is 54 compared to 41 employees in 2021.

Furthermore, the projects which the company solves for customers varies. Some projects require more third party costs than others, thus the profit will fluctuate from project to project and from year to year.

### **Profit/loss for the year compared to the expected development**

Despite the investment in future growth made in 2022 the profit for the year is as expected. The result for year is considered satisfactory.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the Company's financial position.

### **Future expectations**

The company is ready for and expect further growth in Denmark.

Expectations for the company is long-term growth. Magnitude of long-term growth is in-line with the global expectations of the parent company. On this basis the Danish company expect growth in its activities during the coming years.

Management expects a profit for the coming year in line with the profit of 2022.



## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
<b>GROSS PROFIT</b> .....		<b>87.072.733</b>	<b>94.196.939</b>
Staff costs.....	1	-51.946.907	-39.379.323
Depreciation, amortisation and impairment losses.....		-534.438	-556.794
<b>OPERATING PROFIT</b> .....		<b>34.591.388</b>	<b>54.260.822</b>
Other financial income.....		333.822	118.967
Other financial expenses.....		-957.694	-623.302
<b>PROFIT BEFORE TAX</b> .....		<b>33.967.516</b>	<b>53.756.487</b>
Tax on profit for the year.....	2	-7.520.281	-11.835.312
<b>PROFIT FOR THE YEAR</b> .....	3	<b>26.447.235</b>	<b>41.921.175</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Other plant, machinery tools and equipment.....		449.863	632.385
Leasehold improvements.....		117.682	264.224
<b>Property, plant and equipment.....</b>	<b>4</b>	<b>567.545</b>	<b>896.609</b>
<b>NON-CURRENT ASSETS.....</b>		<b>567.545</b>	<b>896.609</b>
Trade receivables.....		26.733.527	27.821.613
Contract work in progress.....	5	22.449	2.176.437
Receivables from group enterprises.....		5.687.948	0
Other receivables.....		12.994	64.842
Corporation tax receivable.....		840.758	0
Prepayments.....	6	380.000	161.431
<b>Receivables.....</b>		<b>33.677.676</b>	<b>30.224.323</b>
<b>Cash and cash equivalents.....</b>		<b>16.213.899</b>	<b>27.598.488</b>
<b>CURRENT ASSETS.....</b>		<b>49.891.575</b>	<b>57.822.811</b>
<b>ASSETS.....</b>		<b>50.459.120</b>	<b>58.719.420</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		80.000	80.000
Proposed dividend.....		26.447.235	41.921.175
<b>EQUITY.....</b>		<b>26.527.235</b>	<b>42.001.175</b>
Provision for deferred tax.....	7	15.315	418.385
<b>PROVISIONS.....</b>		<b>15.315</b>	<b>418.385</b>
Accrued holiday funds.....		968.324	1.273.779
<b>Non-current liabilities.....</b>	<b>8</b>	<b>968.324</b>	<b>1.273.779</b>
Contract work in progress.....	5	0	111.707
Trade payables.....		3.624.206	3.666.433
Debt to Group companies.....		14.438.593	3.643.787
Corporation tax payable.....		0	1.713.409
Other liabilities.....		4.885.447	5.890.745
<b>Current liabilities.....</b>		<b>22.948.246</b>	<b>15.026.081</b>
<b>LIABILITIES.....</b>		<b>23.916.570</b>	<b>16.299.860</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>50.459.120</b>	<b>58.719.420</b>
Contingencies etc.	9		
Charges and securities	10		
Related parties	11		
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## EQUITY

	Share capital	Proposed dividend	Total
Equity at 1 January 2022.....	80.000	41.921.175	42.001.175
Proposed profit allocation, see note 3.....		26.447.235	26.447.235
<b>Transactions with owners</b>			
Dividend paid.....		-41.921.175	-41.921.175
<b>Equity at 31 December 2022.....</b>	<b>80.000</b>	<b>26.447.235</b>	<b>26.527.235</b>

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>2022</b> DKK	<b>2021</b> DKK
Profit/loss for the year.....	26.447.235	41.921.175
Depreciation and amortisation, reversed.....	534.438	556.794
Tax on profit/loss, reversed.....	7.520.281	11.835.312
Corporation tax paid.....	-10.477.518	-10.267.189
Change in receivables (ex tax).....	-2.612.595	-14.595.154
Change in current liabilities (ex bank and tax).....	9.635.572	3.339.038
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>31.047.413</b>	<b>32.789.976</b>
Purchase of property, plant and equipment.....	-205.374	0
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-205.374</b>	<b>0</b>
Other changes in non-current debt.....	-305.453	-94.344
Dividends paid in the financial year.....	-41.921.175	-15.454.437
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>-42.226.628</b>	<b>-15.548.781</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>-11.384.589</b>	<b>17.241.195</b>
Cash and cash equivalents at 1. januar.....	27.598.488	10.357.293
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>16.213.899</b>	<b>27.598.488</b>
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	16.213.899	27.598.488
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>16.213.899</b>	<b>27.598.488</b>

## NOTES

	2022 DKK	2021 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees	54	41	
Wages and salaries.....	48.119.795	36.595.323	
Pensions.....	2.794.965	2.445.627	
Social security costs.....	456.433	338.373	
Other staff costs.....	575.714	0	
	<b>51.946.907</b>	<b>39.379.323</b>	
Due to the Danish Financial Statements Act § 98b, section 3, no. 2, the Company has omitted to disclose remuneration to Management.			
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	7.913.488	11.464.728	
Adjustment of tax in previous years.....	9.863	0	
Adjustment of deferred tax.....	-403.070	370.584	
	<b>7.520.281</b>	<b>11.835.312</b>	
<b>Proposed distribution of profit</b>			<b>3</b>
Proposed dividend for the year.....	26.447.235	41.921.175	
	<b>26.447.235</b>	<b>41.921.175</b>	
<b>Property, plant and equipment</b>			<b>4</b>
	Other plant, machinery tools and equipment	Leasehold improvements	
Cost at 1 January 2022.....	2.548.639	1.138.151	
Additions.....	205.374	0	
Disposals.....	-226.529	0	
<b>Cost at 31 December 2022.....</b>	<b>2.527.484</b>	<b>1.138.151</b>	
Depreciation and impairment losses at 1 January 2022.....	1.916.254	873.927	
Reversal of depreciation of assets disposed of.....	-226.529	0	
Depreciation for the year.....	387.896	146.542	
<b>Depreciation and impairment losses at 31 December 2022....</b>	<b>2.077.621</b>	<b>1.020.469</b>	
<b>Carrying amount at 31 December 2022.....</b>	<b>449.863</b>	<b>117.682</b>	

## NOTES

	2022 DKK	2021 DKK	Note
<b>Contract work in progress</b>			<b>5</b>
Sales value of completed work.....	22.449	2.176.437	
Progress invoicing/advances invoiced.....	0	-111.707	
<b>Contract work in progress, net.....</b>	<b>22.449</b>	<b>2.064.730</b>	
<b>Engelsk</b>			
Contract work in progress (asset).....	22.449	2.176.437	
Contract work in progress (liability).....	0	-111.707	
	<b>22.449</b>	<b>2.064.730</b>	
<b>Prepayments</b>			<b>6</b>
Costs.....	380.000	161.431	
	<b>380.000</b>	<b>161.431</b>	
<b>Provision for deferred tax</b>			<b>7</b>
The provision for deferred tax is related to differences between the carrying amount and tax value of tangible fixed assets, receivables and work in progress.			
Deferred tax concerns:			
Operating equipment.....	-68.043	-38.377	
Leasehold improvements.....	-242	5.865	
Work in progress.....	0	450.897	
Prepayments.....	83.600	0	
	<b>15.315</b>	<b>418.385</b>	
Deferred tax, beginning of year.....	418.385	47.801	
Deferred tax of the year, income statement.....	-403.070	370.584	
<b>Deferred tax.....</b>	<b>15.315</b>	<b>418.385</b>	

## NOTES

					Note
<b>Long-term liabilities</b>					<b>8</b>
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities	
Frozen holiday pay.....	968.324	0	0	1.273.779	
	<b>968.324</b>	<b>0</b>	<b>0</b>	<b>1.273.779</b>	
<b>Contingencies etc.</b>					<b>9</b>
<b>Contingent liabilities</b>					
Total contingent liabilities as per December 2022 amounts to DKK 4.960.222.					
<b>Charges and securities</b>					<b>10</b>
The company has provided a payment guarantee to DTZ of DKK 974.826.					
The company has submitted a letter of indemnity to Danske Bank of DKK 975.000. Debt to Danske Bank amounts to DKK 0.					
<b>Related parties</b>					<b>11</b>
The Company's related parties include:					
<b>Controlling interest</b>					
Simon-Kucher-Kucher & Co. Holding GmbH, Willy-Brandt-Allee 13, Bonn, Germany is the principal shareholder.					
<b>Transactions with related parties</b>					
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.					
<b>Consolidated Financial Statements</b>					<b>12</b>
The company is included in the consolidated financial statements of Simon-Kucher-Kucher & Co. Holding GmbH, Willy-Brandt-Allee 13, Bonn, Germany.					

## ACCOUNTING POLICIES

The Annual Report of SIMON-KUCHER & PARTNERS STRATEGY & MARKETING CONSULTANTS ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

### **Change in accounting policies and classification**

The accounting policies have been changed in the following areas as a consequence of the company's changeover from reporting class B to reporting class C.

- Presentation and disclosure of Financial Statement.

Except for the above areas, the accounting policies are consistent with the policies applied last year.

## INCOME STATEMENT

### **Net revenue**

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

### **Cost of sales**

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### **Other external expenses**

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, etc.

### **Staff costs**

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

### **Financial income and expenses**

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

### **Tax**

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.



## ACCOUNTING POLICIES

### BALANCE SHEET

#### Tangible fixed assets

Other plant, fixtures and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	5 years	0 %
Leasehold improvements.....	4 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

#### Impairment of fixed assets

The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

#### Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

#### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

## ACCOUNTING POLICIES

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

The amortised cost of current liabilities corresponds usually to the nominal value.

## CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

### Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

### Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

### Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

### Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.