
VEN-TO ApS

Ribovej 7, DK-6950 Ringkøbing

Annual Report for 1 January - 31 December 2020

CVR No 34 21 05 51

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
8 /6 2021

Henrik Brink
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of VEN-TO ApS for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

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

Ringkøbing, 8 June 2021

Executive Board

Henrik Brink
Executive Officer

Board of Directors

Kaj Damgaard
Chairman

Anne Zachariassen

Gitte Kirkegaard

Morten Gregers Johansen

Independent Auditor's Report

To the Shareholders of VEN-TO ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of VEN-TO ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

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

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 judgement and maintain professional scepticism throughout the

Independent Auditor's Report

audit. We also:

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

Independent Auditor's Report

quired under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Herning, 8 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Green Knudsen
statsautoriseret revisor
mne45972

Poul Spencer Poulsen
statsautoriseret revisor
mne23324

Company Information

The Company

VEN-TO ApS
Ribovej 7
DK-6950 Ringkøbing

CVR No: 34 21 05 51
Financial period: 1 January - 31 December
Incorporated: 16 January 2012
Financial year: 9th financial year
Municipality of reg. office: Ringkøbing Skjern

Board of Directors

Kaj Damgaard, Chairman
Anne Zachariassen
Gitte Kirkegaard
Morten Gregers Johansen

Executive Board

Henrik Brink

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Platanvej 4
DK-7400 Herning

Bankers

Jyske Bank
St. Torv 1
7500 Holstebro

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK
Key figures					
Profit/loss					
Gross profit/loss	78.898	59.516	46.056	51.664	24.829
Profit/loss before financial income and expenses	18.561	10.944	4.152	6.515	-1.749
Net financials	-1.397	-1.278	-951	-1.125	-333
Net profit/loss for the year	13.366	7.749	2.483	4.265	-1.769
Balance sheet					
Balance sheet total	89.557	75.658	43.689	41.041	25.511
Equity	24.751	13.385	6.808	4.525	260
Investment in property, plant and equipment	2.099	5.388	3.545	1.808	4.770
Number of employees	140	101	111	93	49
Ratios					
Solvency ratio	27,6%	17,7%	15,6%	11,0%	1,0%
Return on equity	70,1%	76,7%	43,8%	178,3%	-154,6%

In connection with changes to accounting policies, the comparative figures back to 2016 have not been restated. See the description under accounting policies.

Management's Review

Key activities

Our key activities are the supply of Installation and Maintenance services on the global Renewable and Energy Sector onshore as well as offshore. We are specialized in providing skilled and competent manpower for the Wind turbine industry with a high focus on Health & Safety and Quality. We are a trusted partner who delivers as agreed while at the same time being transparent and compliant throughout the entire business.

Development in the year

The income statement of the Company for 2020 shows a profit of DKK 13,365,664, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 24,750,515.

The Company has been satisfied with the development over there year as it continues to grow and develop the company within the Renewable and Energy Sector according to its strategy.

Targets and expectations for the year ahead

The board are convinced that the company has a strong position within the global Renewable and Energy Sector and that continual growth in existing markets and clients are achievable as well as growth in new regions and new clients are an opportunity as well. The company, therefore, expect to continue the positive development and expect a result for 2021 at the level with 2020.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities of the Company for the financial year for 2020 have not been affected by any unusual events.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		78.897.888	59.515.721
Staff expenses	1	-56.921.081	-45.695.660
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.415.808	-2.851.595
Other operating expenses		0	-24.582
Profit/loss before financial income and expenses		18.560.999	10.943.884
Income from investments in subsidiaries		-43.063	-34.601
Financial income	2	54.295	62
Financial expenses		-1.407.863	-1.243.356
Profit/loss before tax		17.164.368	9.665.989
Tax on profit/loss for the year	3	-3.798.704	-1.916.905
Net profit/loss for the year		13.365.664	7.749.084
Proposed distribution of profit			
Proposed dividend for the year		4.500.000	2.000.000
Retained earnings		8.865.664	5.749.084
		13.365.664	7.749.084

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		7.517.928	8.834.291
Property, plant and equipment	4	7.517.928	8.834.291
Investments in subsidiaries	5	0	0
Deposits	6	283.469	282.830
Fixed asset investments		283.469	282.830
Fixed assets		7.801.397	9.117.121
Trade receivables	7	62.907.674	39.020.575
Contract work in progress	8	14.580.977	23.226.178
Receivables from group enterprises		373.377	884.750
Other receivables		844.552	1.885.834
Deferred tax asset	12	0	160.150
Prepayments	9	800.309	363.013
Receivables		79.506.889	65.540.500
Cash at bank and in hand		2.249.015	999.930
Currents assets		81.755.904	66.540.430
Assets		89.557.301	75.657.551

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital	10	200.000	200.000
Retained earnings		20.050.515	11.184.851
Proposed dividend for the year		4.500.000	2.000.000
Equity		24.750.515	13.384.851
Provision for deferred tax	12	353.098	0
Provisions for pensions and similar obligations		2.468.000	1.600.000
Provisions		2.821.098	1.600.000
Subordinate loan capital		971.304	1.391.982
Credit institutions		461.015	668.207
Lease obligations		1.825.294	3.177.295
Long-term debt	13	3.257.613	5.237.484
Subordinate loan capital	13	405.000	350.000
Credit institutions	13	34.377.313	34.334.188
Lease obligations	13	1.685.168	1.660.000
Trade payables		5.669.941	6.696.091
Payables to group enterprises		1.939.896	0
Payables to associates		400.000	0
Payables to owners and Management		0	273.161
Corporation tax		70.031	2.451.776
Payables to group enterprises relating to corporation tax		3.155.416	27.681
Other payables		11.025.310	9.642.319
Short-term debt		58.728.075	55.435.216
Debt		61.985.688	60.672.700
Liabilities and equity		89.557.301	75.657.551
Distribution of profit	11		
Contingent assets, liabilities and other financial obligations	14		
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Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	200.000	11.184.851	2.000.000	13.384.851
Ordinary dividend paid	0	0	-2.000.000	-2.000.000
Net profit/loss for the year	0	8.865.664	4.500.000	13.365.664
Equity at 31 December	200.000	20.050.515	4.500.000	24.750.515

Notes to the Financial Statements

	2020 <u>DKK</u>	2019 <u>DKK</u>
1 Staff expenses		
Wages and salaries	54.275.761	43.268.756
Pensions	1.199.489	1.026.813
Other social security expenses	1.445.831	1.400.091
	<u>56.921.081</u>	<u>45.695.660</u>
Including remuneration to the Executive Board and Board of Directors	<u>788.332</u>	<u>812.500</u>
Average number of employees	<u>140</u>	<u>101</u>
2 Financial income		
Other financial income	8.502	62
Exchange adjustments	45.793	0
	<u>54.295</u>	<u>62</u>
3 Tax on profit/loss for the year		
Current tax for the year	3.285.456	2.579.555
Deferred tax for the year	513.248	-662.650
	<u>3.798.704</u>	<u>1.916.905</u>

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment <u>DKK</u>
Cost at 1 January	15.462.015
Additions for the year	2.556.928
Disposals for the year	<u>-787.090</u>
Cost at 31 December	<u>17.231.853</u>
Impairment losses and depreciation at 1 January	6.627.724
Depreciation for the year	3.049.034
Transfers for the year	<u>37.167</u>
Impairment losses and depreciation at 31 December	<u>9.713.925</u>
Carrying amount at 31 December	<u>7.517.928</u>
Depreciated over	<u>3-5 years</u>
Including assets under finance leases amounting to	<u>5.487.463</u>

Notes to the Financial Statements

	2020 DKK	2019 DKK
5 Investments in subsidiaries		
Cost at 1 January	1	0
Additions for the year	0	1
Cost at 31 December	<u>1</u>	<u>1</u>
Value adjustments at 1 January	-206.976	0
Net profit/loss for the year	-43.063	-34.601
Transfers for the year	0	-172.375
Value adjustments at 31 December	<u>-250.039</u>	<u>-206.976</u>
Equity investments with negative net asset value amortised over receivables	<u>250.038</u>	<u>206.975</u>
Carrying amount at 31 December	<u>0</u>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Vento Energy Support Ltd, London	London	100 GBP	100%

6 Other fixed asset investments

	Deposits DKK
Cost at 1 January	282.830
Additions for the year	639
Cost at 31 December	<u>283.469</u>
Carrying amount at 31 December	<u>283.469</u>

Notes to the Financial Statements

	<u>2020</u> DKK	<u>2019</u> DKK
7 Trade receivables		
The following receivables fall due for payment more than 1 year after year end	<u>1.297.401</u>	<u>769.106</u>
8 Contract work in progress		
Selling price of work in progress	23.388.793	23.615.111
Payments received on account	<u>-8.807.816</u>	<u>-388.933</u>
	<u>14.580.977</u>	<u>23.226.178</u>
9 Prepayments		
Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.		
10 Share capital		
The share capital consists of 200 shares of a nominal value of DKK 1,000. No shares carry any special rights.		
There have been no changes in the share capital during the last 5 years.		
	<u>2020</u> DKK	<u>2019</u> DKK
11 Distribution of profit		
Proposed dividend for the year	4.500.000	2.000.000
Retained earnings	<u>8.865.664</u>	<u>5.749.084</u>
	<u>13.365.664</u>	<u>7.749.084</u>
12 Provision for deferred tax		
Provision for deferred tax at 1 January	-160.150	0
Amounts recognised in the income statement for the year	513.248	-662.650
Amounts recognised in equity for the year	<u>0</u>	<u>502.500</u>
Provision for deferred tax at 31 December	<u>353.098</u>	<u>-160.150</u>

Notes to the Financial Statements

13 Long-term debt

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

The debt falls due for payment as specified below:

	<u>2020</u> DKK	<u>2019</u> DKK
Subordinate loan capital		
Between 1 and 5 years	<u>971.304</u>	<u>1.391.982</u>
Long-term part	971.304	1.391.982
Within 1 year	<u>405.000</u>	<u>350.000</u>
	<u>1.376.304</u>	<u>1.741.982</u>
Credit institutions		
Between 1 and 5 years	<u>461.015</u>	<u>668.207</u>
Long-term part	461.015	668.207
Within 1 year	205.000	192.000
Other short-term debt to credit institutions	<u>34.172.313</u>	<u>34.142.188</u>
Short-term part	<u>34.377.313</u>	<u>34.334.188</u>
	<u>34.838.328</u>	<u>35.002.395</u>
Lease obligations		
Between 1 and 5 years	<u>1.825.294</u>	<u>3.177.295</u>
Long-term part	1.825.294	3.177.295
Within 1 year	<u>1.685.168</u>	<u>1.660.000</u>
	<u>3.510.462</u>	<u>4.837.295</u>

Notes to the Financial Statements

	2020 DKK	2019 DKK
14 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers:		
Trade receivables with a total book value of	62.907.675	59.922.564
The following assets have been placed as security with Vækstfonden:		
Trade receivables (second) with a total book value of	62.907.675	59.922.564
Other fixtures and fittings, tools and equipment	2.030.465	2.440.000
For Security for debt to Jyske Bank A / S, the company has pledged a corporate mortgage of a nominal TDKK 11.000.		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	92.543	190.000
Between 1 and 5 years	2.037	0
	94.580	190.000
Lease obligations, within 6 months	380.500	330.000

Notes to the Financial Statements

14 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of HBHA Holding ApS, CVR-nr. 33503806, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

15 Related parties

Basis

Controlling interest

VEN-TO Group ApS, Ringkøbing-Skjern	Hovedanpartshaver
HBHA Holding ApS, Ringkøbing-Skjern	Hovedanpartshaver, VEN-TO Group ApS
Henrik Brink, Reberbanen 13, 6950 Ringkøbing	Hovedanpartshaver, HBHA Holding ApS

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

Name	Place of registered office
HBHA Holding ApS	Reberbanen 13 6950 Ringkøbing

Notes to the Financial Statements

16 Accounting Policies

The Annual Report of VEN-TO ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of HBHA Holding ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

16 Accounting Policies (continued)

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

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

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

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

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service com-

Notes to the Financial Statements

16 Accounting Policies (continued)

pleted for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

Gross profit/loss

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Notes to the Financial Statements

16 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Tax on profit/loss for the year

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

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

Balance Sheet

Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment	3-5	years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

Notes to the Financial Statements

16 Accounting Policies (continued)

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

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

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

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

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

Prepayments

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

Notes to the Financial Statements

16 Accounting Policies (continued)

Equity

Dividend

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Notes to the Financial Statements

16 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$