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World Marine Offshore A/S

Torskekaj 1
6700 Esbjerg
Business Registration No
34581711

Annual report 2018

The Annual General Meeting adopted the annual report on 21.05.2019

Chairman of the General Meeting

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Name: Peter Lykke-Kjeldsen

Contents

Entity details

Entity
World Marine Offshore A/S
Torskekaj 1
6700 Esbjerg

Central Business Registration No (CVR): 34581711
Registered in: Esbjerg
Financial year: 01.01.2018 - 31.12.2018

Board of Directors
Johnny Christian Haahr, Chairman of the Board
Søren Kristian Espersen
Søren Hygom
Peter Lykke-Kjeldsen
Jimmy Thyregod Kristensen

Executive Board
Lars Christian Zøhner
Peter Lykke-Kjeldsen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of World Marine Offshore A/S for the financial year 01.01.2018 - 31.12.2018.

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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 21.05.2019

Executive Board

Lars Christian Zøhner	Peter Lykke-Kjeldsen

Board of Directors

Johnny Christian Haahr Chairman of the Board	Søren Kristian Espersen	Søren Hygom
Peter Lykke-Kjeldsen	Jimmy Thyregod Kristensen	

Independent auditor's report

To the shareholders of World Marine Offshore A/S

Opinion

We have audited the financial statements of World Marine Offshore A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity’s financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor’s report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

Independent auditor's report

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 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 Entity’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 Entity’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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent auditor's report

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

Based on the work we have performed, we conclude that the 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 the management commentary.

Esbjerg, 21.05.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Jesper Smedegaard Larsen
State Authorised Public Accountant
Identification No (MNE) mne18510

Management commentary

	2018 DKK'000	2017 DKK'000
Financial highlights		
Key figures		
Gross profit	32.756	7.947
Operating profit/loss	18.021	2.749
Net financials	(1.289)	108
Profit/loss for the year	16.185	2.852
Total assets	101.979	56.758
Investments in property, plant and equipment	703	125
Equity	25.135	9.084
Ratios		
Return on equity (%)	94,6	31,4
Equity ratio (%)	24,6	16,0

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Calculation formula reflects**
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities
The primary activity of the Company is transport of personnel and goods to offshore installation, Offshore Logistics services, Maritime Management and Subsea activities.

Development in activities and finances
Sales have increased in the current period as a result of the merger with NT Offshore ApS and new projects. The result is satisfactory and in line with expectations.

Outlook
The activity level and result for 2019 is expected to be in same range as 2018.

Particular risks
The Company does not have any particular business or financial risks in addition to generally occurring risks within the industry.

Environmental performance
The Company is constantly working to reduce environmental impacts from its operations.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	Notes	2018 DKK	2017 DKK
Gross profit	1	**32.755.655**	**7.946.843**
Staff costs	2	(13.190.136)	(4.998.990)
Depreciation, amortisation and impairment losses	3	(1.544.178)	(199.262)
Operating profit/loss		**18.021.341**	**2.748.591**
Income from investments in group enterprises		(1.086.693)	0
Income from investments in associates		(82.922)	0
Other financial income		873.013	235.779
Other financial expenses		(992.865)	(127.627)
Profit/loss before tax		**16.731.874**	**2.856.743**
Tax on profit/loss for the year	4	(547.000)	(4.573)
Profit/loss for the year	5	**16.184.874**	**2.852.170**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Acquired licences		163.490	0
Goodwill		9.483.003	0
Intangible assets	6	**9.646.493**	**0**
Other fixtures and fittings, tools and equipment		781.203	525.999
Property, plant and equipment	7	**781.203**	**525.999**
Investments in group enterprises		6.603.781	17.799.994
Investments in associates		75.790	0
Fixed asset investments	8	**6.679.571**	**17.799.994**
Fixed assets		**17.107.267**	**18.325.993**
Trade receivables		44.588.518	25.993.647
Contract work in progress		2.408.387	0
Receivables from group enterprises		1.401.028	240.796
Receivables from associates		2.274.418	7.233
Other receivables		9.017.003	5.018.225
Prepayments	9	3.307.505	1.787.934
Receivables		**62.996.859**	**33.047.835**
Cash		**21.875.060**	**5.383.773**
Current assets		**84.871.919**	**38.431.608**
Assets		**101.979.186**	**56.757.601**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Contributed capital	10	720.000	720.000
Retained earnings		24.415.091	8.363.795
Equity		**25.135.091**	**9.083.795**
Payables to shareholders and management		15.000.000	17.799.994
Non-current liabilities other than provisions	11	**15.000.000**	**17.799.994**
Bank loans		2.944.032	889.063
Prepayments received from customers		2.297.415	3.480.345
Trade payables		45.269.077	14.114.666
Payables to group enterprises		6.135.527	8.342.616
Payables to shareholders and management		57.937	0
Income tax payable		538.586	4.573
Other payables		4.601.521	3.042.549
Current liabilities other than provisions		**61.844.095**	**29.873.812**
Liabilities other than provisions		**76.844.095**	**47.673.806**
Equity and liabilities		**101.979.186**	**56.757.601**
Contingent liabilities	12		
Assets charged and collateral	13		
Related parties with controlling interest	14		
Transactions with related parties	15		
Group relations	16		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	720.000	8.363.795	9.083.795
Other entries on equity	0	(133.578)	(133.578)
Profit/loss for the year	0	16.184.874	16.184.874
Equity end of year	**720.000**	**24.415.091**	**25.135.091**

Notes

1. Gross profit

In 2018, the company reversed a previous loss provision on sales, which has a positive effect on the gross profit by DKK 3.6 million.

	2018 DKK	2017 DKK
2. Staff costs		
Wages and salaries	11.742.014	4.524.369
Pension costs	1.046.701	461.935
Other social security costs	93.993	12.686
Other staff costs	307.428	0
	13.190.136	**4.998.990**
Average number of employees	**20**	**6**

	Remuneration of management 2018 DKK	Remuneration of management 2017 DKK
Total amount for management categories	3.029.070	2.715.382
	3.029.070	**2.715.382**

	2018 DKK	2017 DKK
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.105.296	0
Depreciation of property, plant and equipment	438.882	199.262
	1.544.178	**199.262**

	2018 DKK	2017 DKK
4. Tax on profit/loss for the year		
Current tax	547.000	4.573
	547.000	**4.573**

Notes

	2018 DKK	2017 DKK
5. Proposed distribution of profit/loss		
Retained earnings	16.184.874	2.852.170
	16.184.874	**2.852.170**

	Acquired licences DKK	Goodwill DKK
6. Intangible assets		
Addition through business combinations etc	215.119	10.536.670
Cost end of year	**215.119**	**10.536.670**
Amortisation for the year	(51.629)	(1.053.667)
Amortisation and impairment losses end of year	**(51.629)**	**(1.053.667)**
Carrying amount end of year	**163.490**	**9.483.003**

	Other fixtures and fittings, tools and equipment DKK
7. Property, plant and equipment	
Cost beginning of year	801.438
Addition through business combinations etc	703.023
Disposals	(8.937)
Cost end of year	**1.495.524**
Depreciation and impairment losses beginning of year	(275.439)
Depreciation for the year	(438.882)
Depreciation and impairment losses end of year	**(714.321)**
Carrying amount end of year	**781.203**

Notes

	Invest-ments in group enterprises DKK	Investments in associates DKK
8. Fixed asset investments		
Cost beginning of year	17.799.994	0
Addition through business combinations etc	5.119.156	25.000
Disposals on divestments etc	(15.000.000)	0
Additions	500.016	0
Cost end of year	**8.419.166**	**25.000**
Addition through business combinations etc	0	133.712
Share of profit/loss for the year	0	(82.922)
Revaluations end of year	**0**	**50.790**
Addition through business combinations etc	(595.065)	0
Amortisation of goodwill	(162.365)	0
Share of profit/loss for the year	(924.377)	0
Fair value adjustments	(133.578)	0
Impairment losses end of year	**(1.815.385)**	**0**
Carrying amount end of year	**6.603.781**	**75.790**

Investment in NT Offshore GmbH is measured according to accounts per. 30.09.2018

	Registered in	Corpo-rate form	Equity inte-rest %
Investments in group enterprises comprise:			
BB Towing & Diving A/S	Esbjerg	A/S	77,8
WMO Logistics A/S	Esbjerg	A/S	100,0
WMO Invest A/S	Esbjerg	A/S	100,0
Wi-nd ApS	Esbjerg	ApS	100,0
NT Offshore GmbH	Germany	GmbH	85,0
World Marine Offshore Ltd.	United Kingdom	Ltd.	100,0

Notes

	Registered in	Corporate form	Equity interest %
Investments in associates comprise:			
Inertia ApS	Esbjerg	ApS	50,0
WMO Sitefacility ApS (ejet via WMO Invest A/S)	Esbjerg	ApS	50,0

9. Prepayments

Prepayments include advance payments regarding rent, IT-subscriptions, insurance etc.

	Number	Par value DKK	Nominal value DKK
10. Contributed capital			
A-Aktier	360.000	1	360.000
B-Aktier	360.000	1	360.000
	720.000		**720.000**

	Outstanding after 5 years DKK
11. Liabilities other than provisions	
Payables to shareholders and management	9.000.000
	9.000.000

12. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where WMO Shipping Company A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The company has Timecharter agreements with the parent company with a duration of up to 3 years. The company has Timecharter agreements with external parties with a duration of under 1 year.

The company has entered into operational lease and rent agreements with remaining maturity of 2 - 56 months, where the total obligations are DKK 3.2 million at 31.12.2018.

Notes

The company has entered into forward exchange contracts with a maturity of up to 28.02.2020 in EUR and GBP. The forward exchange contracts have been concluded on behalf of WMO Sitefacility ApS and all benefits, risks and obligations have been transferred to this company. The contractual value is DKK 5.9 million at 31.12.2018. A net value of DKK 0.3 million was recognized in other payables at 31.12.2018, which is also included in receivables from WMO Sitefacility ApS.

13. Assets charged and collateral
Security has been provided in Timecharter agreements, as well as a guarantees and withdrawal declarations have been given to the parent company's financial partners. The parent company's financial partners have jointly provided guarantees and granted loans of DKK 82.5 million at 31.12.2018.

Bank loans are secured by cash of DKK 17 million at 31.12.2018.

14. Related parties with controlling interest
WMO Shipping Company A/S, Esbjerg, Denmark has a controlling interest in the Company through shares and owner agreements.

	Parent DKK	Subsidiaries DKK	Other related parties. DKK
15. Transactions with related parties			
Sales	15.181.542	103.630	0
Purchase	42.857.912	7.916.306	0
Interest expenses	0	0	267.000
Receivables	0	673.119	0
Liabilities other than provisions	5.475.433	381.460	7.500.000

Transactions with related parties do not comprise transactions with fully owned subsidiaries.

16. Group relations
Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
WMO Shipping Company A/S, Esbjerg

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Non-comparability

The company has merged with NT Offshore ApS with effect as of 01.01.2018. The comparative figures have not been adjusted and there is therefore no comparability with previous year.

Changes in accounting policies

In 2017 investments in group enterprises were measured at cost. In 2018 investments in group enterprises are recognised and measured according to the equity method. The change in accounting policies does not have any impact on the result, assets and equity in 2017. In 2018 the positive impact on the result is DKK 2.3 million, the impact on assets is an increase of DKK 2.2 million and the positive impact on equity is DKK 2.2 million compared to 2017 accounting policies.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under

Accounting policies

which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue
Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as plant and equipment.

Accounting policies

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of intra-group profits or losses.

Other financial income
Other financial income comprise interests and adjustments in transactions in foreign currencies.

Other financial expenses
Other financial expenses comprise interest expenses and adjustments in transactions in foreign currencies.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with WMO Shipping Company A/S. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet
Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

Accounting policies

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement
Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.