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DK-6000 Kolding
CVR no. 20 22 26 70

ADVANCED CARBON PULTRUSION A/S

BARMSTEDT ALLE 5, 5500 MIDDELFART

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2018

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 29 April 2019

Søren Stig Hansen

CVR NO. 37 75 88 17

CONTENTS

COMPANY DETAILS

Company	Advanced Carbon Pultrusion A/S Barmstedt Alle 5 5500 Middelfart
	CVR No.: 37 75 88 17 Established: 30 May 2016 Registered Office: Middelfart Financial Year: 1 January - 31 December
Board of Directors	Peter Thorning, chairman Ivan Meersman, vice-chairman Tamara Jayne Mende Jens Guldborg Ib Viegand Hansen
Board of Executives	Jens Guldborg
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
Bank	Nordea Kolding Åpark 2 6000 Kolding

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Advanced Carbon Pultrusion A/S for the financial year 1 January - 31 December 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 Company's financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

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

Middelfart, 29 April 2019

Board of Executives

Jens Guldborg

Board of Directors

Peter Thorning Chairman	Ivan Meersman Vice-chairman	Tamara Jayne Mende
Jens Guldborg	Ib Viegand Hansen	

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Advanced Carbon Pultrusion A/S

Opinion

We have audited the Financial Statements of Advanced Carbon Pultrusion A/S for the financial year 1 January - 31 December 2018, 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's at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 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 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

We draw attention to the note on uncertainty with respect to recognition and measurement in the financial statement, which describes the uncertainty related to the recognised tax assets of EUR ('000) 2,217. Our conclusion is not modified regarding this matter.

Management's Responsibility 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:

INDEPENDENT AUDITOR'S REPORT

- *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 required under the Danish Financial Statements Act.

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

Kolding, 29 April 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Lars Kruse
State Authorised Public Accountant
MNE no. mne11677

FINANCIAL HIGHLIGHTS

	2018 EUR '000	2017 EUR '000
Income statement		
Gross profit/loss	-164	2,385
Operating profit/loss	-20,146	-697
Financial income and expenses, net	-536	-197
Profit/loss for the year before tax	-20,682	-894
Profit/loss for the year	-18,208	-697
Balance sheet		
Balance sheet total	26,948	36,574
Equity	7,375	22,681
Cash flows		
Cash flows from operating activities	5,173	-3,288
Cash flows from investment-related activities	-1,041	-265
Cash flows from financing activities	-1,200	0
Total cash flows	2,932	-3,553
Investment in tangible fixed assets	-1,041	-265
Ratios		
Rate of return	-189.0	-3.6
Solvency ratio	27.4	62.0
Return on equity	-121.2	-3.0

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

Rate of return: $\frac{\textit{Profit/loss on ordinary activities x 100}}{\textit{Average invested capital}}$

Invested capital: *Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities*

Solvency ratio: $\frac{\textit{Equity at year end x 100}}{\textit{Total equity and liabilities, at year end}}$

Return on equity: $\frac{\textit{Profit/loss after tax x 100}}{\textit{Average equity}}$

The ratios follow in all material respects the recommendations of the Danish Finance Society.

Principal activities
The calendar year 2018 was the second full year of operation. The principal activities comprise of production of carbon fiber pultruded profiles for the Wind Turbine industry.

Exceptional matters
The company is facing increased risk concerning the level of activity in the future. This uncertainty as well as the unsatisfactory result reflects in the valuation of intangible fixed assets.

The value of the intangible asset has been reduced with an impairment loss of EUR ('000) 16,250

Uncertainty as to recognition and measurement
In the assets there is a booked value of a deferred tax asset of EUR ('000) 2,217. The management in the group are planning transactions which due to the joint taxation in the group will permit the group to make use of the deferred tax asset.

If the planned transactions in the group are not completed there is uncertainty related to the value of the deferred tax asset.

Development in activities and financial position
The level of activity fluctuated significantly during the year resulting in a lower full year activity compared to original expectations. Compared to 2017 the activity was higher in 2018.

Profit/loss for the year compared to future expectations
The profit for the year was lower than expected because of lower sales revenue and higher manufacturing costs largely due to problems related to input material. The result is considered unsatisfactory.

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.

Special risks
The company's most significant operating risk is the ability to be strongly positioned in the markets where the products are sold and to ensure that production prices are always competitive.

Polymer materials are a significant contributor to production cost and these markets have seen significant volatility lately. This situation is taken into account in customer agreements and the current market situation for polymer materials is not expected to have significant impact on the result.

The company is not exposed to any special environmental, currency or interest rate risks.

The company has not entered into any speculative foreign currency positions.

Knowledge resources
The company's activities are conducted by the parent company Fiberline Composites A/S based on a service agreement.

Continuing the service agreement is critical to maintain and develop the business.

Research and development activities
Research and development activities are conducted by the parent company Fiberline Composites A/S based on a service agreement.

Future expectations
2019 is expected to generate a level of activity below 2018.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 EUR	2017 EUR
GROSS LOSS		**-164,118**	**2,384,892**
Depreciation, amortisation and impairment losses	1	-19,982,164	-3,081,490
OPERATING LOSS		**-20,146,282**	**-696,598**
Other financial income	2	31,313	8,419
Other financial expenses		-567,311	-205,698
LOSS BEFORE TAX		**-20,682,280**	**-893,877**
Tax on profit/loss for the year	3	2,473,793	196,653
LOSS FOR THE YEAR	4	**-18,208,487**	**-697,224**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 EUR	2017 EUR
Intangible fixed assets acquired		0	15,315,536
Intangible fixed assets	5	**0**	**15,315,536**
Production plant and machinery		3,444,506	3,738,424
Other plant, machinery, tools and equipment		396,293	559,150
Tangible fixed assets in progress and prepayment		933,287	0
Tangible fixed assets	6	**4,774,086**	**4,297,574**
FIXED ASSETS		**4,774,086**	**19,613,110**
Inventories		2,075,603	11,452,192
Inventories		**2,075,603**	**11,452,192**
Trade receivables		14,236,265	2,768,627
Receivables from group enterprises		408,388	1,304,877
Deferred tax assets	7	2,217,000	0
Other receivables		127,600	1,258,103
Receivables		**16,989,253**	**5,331,607**
Cash and cash equivalents		**3,108,623**	**176,730**
CURRENT ASSETS		**22,173,479**	**16,960,529**
ASSETS		**26,947,565**	**36,573,639**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2018 EUR	2017 EUR
Share capital	8	1,000,000	1,000,000
Retained profit		6,074,822	20,781,310
Proposed dividend		300,000	900,000
EQUITY		**7,374,822**	**22,681,310**
Deferred tax		0	256,793
PROVISION FOR LIABILITIES		**0**	**256,793**
Prepayments received from customers		114,833	0
Trade payables		16,074,074	13,635,536
Payables to group enterprises		774,970	0
Other liabilities		2,608,866	0
Current liabilities		**19,572,743**	**13,635,536**
LIABILITIES		**19,572,743**	**13,635,536**
EQUITY AND LIABILITIES		**26,947,565**	**36,573,639**
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EQUITY

	Share capital	Retained profit	Proposed dividend	Total
Equity at 1 January 2018	1,000,000	20,781,309	900,000	22,681,309
Grant		4,102,000		4,102,000
Dividend paid			-900,000	-900,000
Proposed distribution of profit		-18,808,487	600,000	-18,208,487
Distributed extraordinary dividend			-300,000	-300,000
Equity at 31 December 2018	**1,000,000**	**6,074,822**	**300,000**	**7,374,822**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2018 EUR	2017 EUR
Profit/loss for the year	-18,208,487	-697,224
Reversed depreciation of the year	19,877,193	3,065,718
Reversed realization gains	104,971	15,772
Reversed tax on profit/loss for the year	-2,473,793	-196,653
Corporation tax paid	0	394,911
Change in inventory	9,376,589	-2,155,773
Change in receivables	-9,440,646	-755,743
Change in current liabilities (ex bank and tax)	5,937,207	-2,959,294
CASH FLOWS FROM OPERATING ACTIVITY	**5,173,034**	**-3,288,286**
Purchase of tangible fixed assets	-1,041,140	-265,094
CASH FLOWS FROM INVESTING ACTIVITY	**-1,041,140**	**-265,094**
Dividend paid in the financial year	-1,200,000	0
CASH FLOWS FROM FINANCING ACTIVITY	**-1,200,000**	**0**
CHANGE IN CASH AND CASH EQUIVALENTS	**2,931,894**	**-3,553,380**
Cash and cash equivalents at 1 January	176,730	3,730,110
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**3,108,624**	**176,730**
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents	3,108,624	176,730
CASH AND CASH EQUIVALENTS, NET DEBT	**3,108,624**	**176,730**

NOTES

	2018 EUR	2017 EUR	Note
Special items			1
Intangible assets			
The value has been reduced with an impairment loss of	16,250,210		
	16,250,210		
Other financial income			2
Group enterprises	31,001	8,419	
Other interest income	312	0	
	31,313	**8,419**	
Tax on profit/loss for the year			3
Adjustment of deferred tax	-2,473,793	-196,653	
	-2,473,793	**-196,653**	
Proposed distribution of profit			4
Proposed dividend for the year	300,000	900,000	
Extraordinary dividend	300,000	0	
Retained earnings	-18,808,487	-1,597,224	
	-18,208,487	**-697,224**	

Intangible fixed assets 5

	Intangible fixed assets acquired
Cost at 1 January 2018	18,645,000
Additions	4,102,000
Cost at 31 December 2018	**22,747,000**
Depreciation at 1 January 2018	3,329,464
Impairment losses	16,250,210
Depreciation for the year	3,167,326
Depreciation at 31 December 2018	**22,747,000**
Carrying amount at 31 December 2018	**0**

NOTES

Note

Tangible fixed assets 6

	Production plant and machinery	Other plant, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2018	4,085,130	685,830	0
Additions	28,571	79,282	933,287
Disposals	0	-179,952	0
Cost at 31 December 2018	**4,113,701**	**585,160**	**933,287**
Depreciation and impairment losses at 1 January 2018	346,706	126,680	
Reversal of depreciation of assets disposed of	0	-74,981	
Depreciation for the year	322,489	137,168	
Depreciation and impairment losses at 31 December 2018	**669,195**	**188,867**	
Carrying amount at 31 December 2018	**3,444,506**	**396,293**	**933,287**

Deferred tax assets 7

Provision for deferred tax comprises deferred tax on finished goods and goods for resale, prepayments, intangible and tangible fixed assets and unutilised tax losses.

	2018 EUR	**2017** EUR
Deferred tax relating to:		
Intangible fixed assets	-3,065,896	439,489
Tangible fixed assets	374,305	341,633
Finished goods and goods for resale	0	34,030
Unutilised tax losses	-1,601,717	-558,359
Impairment loss	2,076,308	0
	-2,217,000	**256,793**
Deferred tax, beginning of year	-256,793	-1,377,442
Deferred tax of the year, income statement	2,473,793	885,131
Transfer to/from other items	0	235,518
Deferred tax assets 31 December 2018	**2,217,000**	**-256,793**

The tax asset is based on the expectations for the profit in the joint taxation in the group for 2018 and 2019.

NOTES

	2018	2017	Note
	EUR	EUR	
Share capital			8
Specification of the share capital:			
A-shares, 510,000 in the denomination of 1 EUR..................	510,000	0	
B-shares, 490,000 in the denomination of 1 EUR..................	490,000	0	
Shares, 1,000,000 in the denomination of 1 EUR..................	0	1,000,000	
	1,000,000	**1,000,000**	

Contingencies etc. 9

Joint liabilities
The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income is stated in the annual report of *Ejner Holding ApS*, which serves as management company for the joint taxation.

Related parties 10

The **Controlling interest**
Henrik Thorning, Ægirsvej 10, 6000 Kolding, who is the ultimate majority shareholder.

Other related parties having performed transactions with the company
The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties
The company did not carry out any substantial transactions that were not concluded on market conditions.

Information on uncertainty with respect to recognition and measurement 11

In the assets there is a booked value of a deferred tax asset of EUR ('000) 2,217. The management in the group are planning transactions which due to the joint taxation in the group will permit the group to make use of the deferred tax asset.

If the planned transactions in the group are not completed there is uncertainty related to the value of the deferred tax asset.

Consolidated financial statements 12

The company is included in the consolidated financial statements for Ejner Holding ApS, Barmstedt Allé 5, 5500 Middelfart, CVR-number 35 52 31 70.

Staff costs 13

Average number of employees
1 (2017: 1)

ACCOUNTING POLICIES

The Annual Report of Advanced Carbon Pultrusion A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

The annual report is presented in EUR.
The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

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 cost of sales, advertising, administration, rent, bad debts, etc.

Financial income and expenses
Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

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 portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets
Rights are measured at cost less accumulated amortisation. Rights are amortised over the term of the agreement or over 7 years if the agreement is likely to be extended.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

ACCOUNTING POLICIES

Tangible fixed assets
Production plant and machinery, other plants, machinery, tools and equipment 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. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors and indirect production costs.

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
Production plant and machinery..	3-15 years	0 %
Other plant, fixtures and equipment...	5-10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time 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 intangible fixed and tangible assets are valued on an annual basis 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 net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

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.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

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 carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would 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
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

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.

ACCOUNTING POLICIES

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.