

A.P. Møller Capital P/S
Esplanaden 50, DK-1263 Copenhagen
CVR no. 38 28 49 67

Annual report for 2018

Adopted at the annual general meeting
on 24 April 2019



Morten Stakroge
Chairman of the general meeting

Contents

	Page
Company details	1
Statements	
Statement by Management on the annual report	2
Independent Auditor's report	3
Financial highlights	
Financial highlights	6
Management's review	
Management's review	7
Financial statements	
Income statement and statement of comprehensive income 1 January 2018 - 31 December 2018	12
Balance sheet 31 December 2018	13
Statement of Changes in Equity 2018	15
Notes	16
Accounting Policies	21

Company details

Company	A.P. Møller Capital P/S Esplanaden 50 DK-1263 Copenhagen K
	Central business register no.: 38 28 49 67 FT no.: 23.129
Reporting period	1 January - 31 December 2018
Financial year	1 January - 31 December
Board of directors	Robert Maersk Uggla, chairman Lars-Erik Brenøe Martin Nørkjær Larsen Jan Thorsgaard Nielsen
Management	Kim Fejfer, Managing Partner & CEO Lars Reno Jakobsen, Senior Partner Jens Thomassen, Partner Joe Nicklaus Nielsen, Partner & CFO
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Financial Supervisory Authority	Finanstilsynet Århusgade 110 DK-2100 Copenhagen Ø

Statement by Management on the annual report

The Board of Directors and Management have today discussed and approved the annual report of A.P. Møller Capital P/S for the financial period 1 January 2018 - 31 December 2018.

The annual report is prepared in accordance with the Danish Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions, investment companies, etc.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial period 1 January 2018 - 31 December 2018.

In our opinion, Management's review includes a fair review of developments in the Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Company.

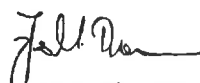
Management recommends that the annual report should be approved at the Board meeting.

Copenhagen, 24 April 2019

Management



Kim Fejfer
Managing Partner & CEO


Lars Reno Jakobsen
Senior Partner


Jens Thomassen
Partner


Joe Niels Nielsen
Partner & CFO

Board of directors


Robert Maersk Uggle
Chairman


Lars-Erik Brenø


Martin Nørkjær Larsen


Jan Thorsgaard Nielsen

Independent Auditor's report

To the shareholders of A.P. Møller Capital P/S

Opinion

We have audited the financial statements of A.P. Møller Capital P/S for the financial year 1 January - 31 December 2018, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, notes and summary of significant accounting policies.

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 for the financial period 1 January - 31 December 2018 in accordance with the Danish Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions and investment companies, etc.

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 Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions and investment companies etc., 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.

Independent Auditor's report

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

Independent auditor's report

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.

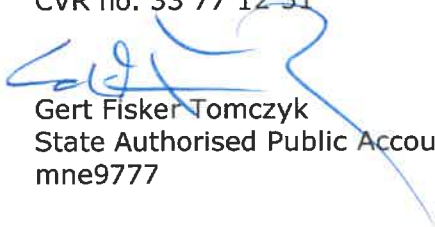
In connection with our audit of the financial statements, our responsibility is to read Management's review and, in doing so, consider whether Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's review provides the information required under the Danish Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions and investment companies etc.

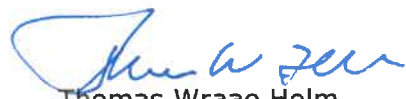
Based on the work we have performed, we conclude that Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions and investment companies etc. We did not identify any material misstatement in Management's review.

Copenhagen, 24 April 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31



Gert Fisker Tomczyk
State Authorised Public Accountant
mne9777



Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Financial highlights

The development of the Company may be described by means of the following financial highlights:

	<u>2018</u>	<u>2016/17</u>
	DKK ('000)	DKK ('000)
Key figures		
Administration fee	105,849	23,393
Costs for employees and administration	70,462	40,467
Profit/loss before financial income and expenses	35,387	-17,074
Profit/loss for the year	38,819	-16,536
Equity	57,783	30,964
Total assets	74,378	48,118
Financial ratios		
Solvency ratio	77,7%	64,4%
Return on equity before tax	68,6%	-56,0%
Return on equity after tax	67,2%	-53,4%
Average number of employees	19	7
Assets under management	1,256	9

Management's review

Business activities

A.P. Møller Capital P/S ("the Company" or "APMC") is an Alternative Investment Fund Manager ("AIFM") focusing on investments in businesses that combine attractive risk adjusted returns with a positive social impact.

APMC is managing one fund, Africa Infrastructure Fund I K/S ("AIF I"), which targets infrastructure investments in Africa. This ranges from projects in transport and logistics, such as rail, roads, ports and warehousing, to energy and utilities, including power plants, transmission, pipelines and distribution.

AIF I was founded in its current form when it achieved first close on August 8 2017 with a total commitment of USD 651m and a final close on August 8 2018 with a total commitment of USD 982m. Anchor investors in AIF I are Danish pension funds: PFA Pension, PKA, PensionDanmark, and Lægernes Pension (The Medical Doctor's Pension Fund) as well as A.P. Møller Holding A/S. In 2018, the following investors joined on the Fund: Danica Pension, Danske Invest, SEB, Lærernes Pension, Landsbanki Føroya and one accredited investor. AIF I has an initial target of 10 to 15 investments, and an expected operational period of 10 years.

While based in Copenhagen, the Company has since first close established a branch in Dubai.

Business review

2018 marks the first full year of operations for the Company. In August, AIF I reached final close, with total commitments of USD 982m. Further, in August the Company's branch in Dubai received its category IV license (arranging and advising).

Revenue for the Company originates from management fees from AIF I. For 2018, management fee was DKK 105.8m.

Staff expenses and administration were DKK 70.5m for the period, of which DKK 45.0m result from staff-related expenses and DKK 25.5m from other external expenses.

Other external expenses for the period consist of rent, fees for consultants and other non-salary related costs.

Staff expenses have been gradually increasing throughout the period, as investment and fund administrative staff have been onboarded. As of 31 December 2018, APMC had 20 employees, including shared resources with A.P. Møller Holding A/S.

Management's review

Net financial income was DKK 4.2m relating to interest on current accounts and foreign currency gains.

Net profit for the period was DKK 38.8m, in line with expectations for the period. It is proposed to pay out a dividend of DKK 22.2m equivalent to DKK 0.625 per share.

Management considers the result for 2018 for satisfactory and in accordance with expectations.

Expectations for the coming year

In 2019, the focus of the Company will be to invest the committed funds from AIF I. The Management of the Company expects a lower net profit for 2019 compared to 2018.

Business and financial risks

Given that the Company has revenue in USD and costs in USD, DKK, GBP and AED, the result for 2019 will be influenced by currency fluctuations. The result for 2019 is not deemed to be subject to other substantial business or financial risks.

Significant events occurring after end of reporting period

The Company initiated another capital reduction in 2019, given the excess of capital over the FAIF regulatory amount. The application to reduce the capital base of the company with DKK 13m was approved at an Extraordinary General Meeting in February 2019 and has been paid to shareholders at the beginning of April 2019.

Board of Directors and Partners involvement in other business entities

The Board of Directors consists of four members, a Chairman and three Board Members, as presented in the section below regarding the Director's affiliations. Jan Thorsgaard Nielsen was elected as member of the Board of Directors in 2018. The Management consists of four partners, with Kim Fejfer being the Managing Partner and CEO.

Management's review

Directors affiliations

Robert M. Uggla, Chairman

Board member since 2017

Chairman, the Board of Directors

Maersk Product Tankers A/S

Member of the Board of Directors

A.P. Møller – Mærsk A/S

Foundation Board of IMD

The Drilling Company of 1972 A/S (Maersk Drilling) (Vice Chairman)

CEO, A.P. Møller Holding A/S

Other management duties

Agata ApS

Estemco XII ApS

Robert M. Uggla is actively involved in the management of 4 entities fully owned by A.P. Møller Holding A/S

Martin Nørkjær Larsen

Board member since 2017

Member of the Board of Directors

Assuranceforeningen SKULD (Gjensidige)

Navigare Capital Partners A/S

Maersk Product Tankers A/S

The Drilling Company of 1972 A/S (Maersk Drilling)

CFO, A.P. Møller Holding A/S

Martin Nørkjær Larsen is actively involved in the management of 5 entities fully owned by A.P. Møller Holding A/S

Management's review

Lars-Erik Brenøe

Board member since 2018

Chairman, the Board of Directors

Navigare Capital Partners A/S

Maersk Training A/S

Maersk Property A/S

Member of the Board of Directors

Danske Bank A/S

The Danish Committee on Foundation Governance (DI) (Vice Chairman)

The Confederation of Danish Industry (Member of the Central Board)

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond

LINDØ port of Odense A/S

Maersk Broker K/S (and Chairman of four affiliated undertakings)

LINDØ port of Odense A/S

Other management duties:

Interessentskabet Firmaet A.P. Møller

Jan Thorsgaard Nielsen

Board member since 2018

Member of the Board of Directors

Lego A/S

Danske Bank A/S (Vice Chairman)

Jan Thorsgaard Nielsen is actively involved in the management of 2 entities fully owned by A.P. Møller Holding A/S

Kim Fejfer

Managing partner and CEO since 2017

Not affiliated with any other business entities

Lars Reno Jacobsen

Senior Partner since 2017

Board member of:

South African Maritime Training Academy

Management's review

Joe Nicklaus Nielsen

Partner and CFO since 2017

CEO of:

CPJNN Invest ApS

Jens Thomassen

Partner since 2017

Not affiliated with any other business entities.

Income statement and statement of comprehensive income 1 January 2018 - 31 December 2018

	<u>Note</u>	<u>2018</u> DKK ('000)	<u>2016/17</u> DKK ('000)
Administration fee	1	105,849	23,393
Staff expenses and administration	2	<u>-70,462</u>	<u>-40,467</u>
Profit/loss before financial income and expenses		35,387	-17,074
Financial income	3	6,751	350
Financial expenses	4	<u>-2,515</u>	<u>-616</u>
Profit/loss before tax		39,623	-17,340
Tax	5	<u>-804</u>	<u>804</u>
Net profit/loss for the period		<u>38,819</u>	<u>-16,536</u>
 Statement of comprehensive income			
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive income		<u>0</u>	<u>0</u>
 Distribution of total comprehensive income			
Retained earnings		16,619	-16,536
Proposed dividend		<u>22,200</u>	<u>0</u>
		<u>38,819</u>	<u>-16,536</u>

Balance sheet 31 December 2018

	<u>Note</u>	<u>2018</u> DKK ('000)	<u>2016/17</u> DKK ('000)
Assets			
Other receivables	6	11,218	3,544
Deferred tax assets		0	803
Prepayments		<u>1,758</u>	<u>0</u>
Receivables		<u>12,976</u>	<u>4,347</u>
Cash at bank and in hand		<u>61,402</u>	<u>43,771</u>
Assets total		<u><u>74,378</u></u>	<u><u>48,118</u></u>

Balance sheet 31 December 2018

	<u>Note</u>	<u>2018</u> DKK ('000)	<u>2016/17</u> DKK ('000)
Liabilities and equity			
Share capital		35,500	47,500
Proposed dividends		22,200	0
Retained earnings		<u>83</u>	<u>-16,536</u>
Equity	7	<u>57,783</u>	<u>30,964</u>
Other payables	8	<u>16,595</u>	<u>17,154</u>
Total liabilities		<u>16,595</u>	<u>17,154</u>
Liabilities and equity total		<u><u>74,378</u></u>	<u><u>48,118</u></u>
Contingent assets, liabilities and other financial obligations		9	
Related parties and ownership		10	
Financial risks and policies and targets for managing financial risks		11	

Statement of Changes in Equity 2018

	<u>Share capital</u> DKK ('000)	<u>Proposed</u> <u>Dividends</u> DKK ('000)	<u>Retained</u> <u>Dividends</u> DKK ('000)	<u>Total</u> DKK ('000)
Equity at 1 January 2018	47,500	0	-16,536	30,964
Cash capital reduction	-12,000	0	0	-12,000
Net profit/loss for the period	0	22,200	16,619	38,819
Other comprehensive income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Equity at 31 December 2018	<u>35,500</u>	<u>22,200</u>	<u>83</u>	<u>57,783</u>

Notes

	<u>2018</u>	<u>2016/17</u>
	DKK ('000)	DKK ('000)
1 Administration fee		
Management Fee from AIF I K/S	<u>105,849</u>	<u>23,393</u>
Total revenue	<u>105,849</u>	<u>23,393</u>
2 Staff expenses and administration		
Wages and salaries	45,182	24,431
Pensions	354	58
Other social security costs	49	15
Special payroll tax based on total payroll	-573	884
Other administration expenses	<u>25,450</u>	<u>15,079</u>
	70,462	40,467
Average number of employees	<u>19</u>	<u>7</u>
Hereof remuneration to management and board of directors:		
Management:		
Fixed	15,840	5,800
Variable	0	0
Pension	<u>0</u>	<u>0</u>
	<u>15,840</u>	<u>5,800</u>
Number of employees in the above	<u>4</u>	<u>3</u>

The Board of Directors receives no remuneration. Management is not entitled to variable salary or pension.

No other employees have significant influence on the risk profile of the Company.

Depositary fee is paid by the AIF.

Notes

	<u>2018</u> DKK ('000)	<u>2016/17</u> DKK ('000)
3 Financial income		
Other financial income	<u>6,751</u>	<u>350</u>
	<u>6,751</u>	<u>350</u>
4 Financial expenses		
Credit institutions	111	60
Other financial costs	<u>2,404</u>	<u>556</u>
	<u>2,515</u>	<u>616</u>
5 Tax on profit/loss for the period		
Adjustment of tax concerning previous years	804	0
Joint taxation contribution	<u>0</u>	<u>-804</u>
	<u>804</u>	<u>-804</u>
Net profit/loss before tax	39,623	-17,340
Reversed loss relating to period as transparent fiscal entity	-39,623	3,716
Permanent differences relating to period as transparent fiscal entity	<u>0</u>	<u>9,970</u>
Taxable income	0	-3,654
6 Other receivables		
Within 3 months	7,350	3,544
Within 1 Year	<u>3,868</u>	<u>0</u>
	<u>11,218</u>	<u>3,544</u>

Notes

7 Equity

The share capital consists of:

	Nominal value
26,625,000 A shares of DKK 1	26,625,000
8,875,000 B shares of DKK 1	<u>8,875,000</u>
	<u>35,500,000</u>

Each A-share carries one vote of nominally DKK 1. No other shares carry voting rights.

Changes in share capital:

Equity at foundation 27 December 2016, cash	500
Capital increase 13 October 2017, cash	47,000
Capital decrease 10 August 2018, cash	<u>-12,000</u>
Share capital at 31 December 2018	<u>35,500</u>

8 Other payables

	<u>2018</u>	<u>2016/17</u>
	DKK ('000)	DKK ('000)
Within 3 months	4,433	10,026
over 3 months	12,162	7,128
After 5 years	<u>0</u>	<u>0</u>
	<u>16,595</u>	<u>17,154</u>

9 Contingent assets, liabilities and other financial obligations

The Company has assumed rent commitments which at the balance sheet date amount to a total of DKK 4.7m. The rent commitments are interminable for up to 3 years.

Notes

10 Related parties and ownership

A.P. Møller Capital P/S is consolidated in the consolidated financial statements of:

A.P. Møller Holding A/S
Esplanaden 50
1263 København K

Shareholders with 5% ownership or more

APMH Invest A/S
Esplanaden 50
1263 Copenhagen K

Agata ApS
Esplanaden 50
1263 Copenhagen K

Kim Fejfer
Wildflower K-60
Jumeirah Golf Estates
U.A.E. Dubai

Lars Reno Jakobsen
Rimal 4
Jumeirah Beach Residences
P.O.box 62558
U.A.E. Dubai

CPJNN Invest ApS
Høsterkøbvej 22
2970 Hørsholm

Transactions

Controlling parties:

A.P. Møller Holding A/S, Copenhagen DK, DKK 6.8m (2017: DKK 3.7m), rent, office expenses and purchase of services.

Other related parties:

A.P. Møller-Mærsk A/S, Copenhagen DK, DKK 4.3m (2017: DKK 0.4 m), purchase of services.

Svitzer Middle East Limited, Dubai UAE, DKK 6.3m (2017: DKK 3.3m), purchase of services.

Svitzer Marine Limited, Middlesbrough UK, DKK 1.5m (2017: DKK 0.5m), purchase of services.

Notes

11 Policies and targets for managing financial, business and operational risks

Financial risks

A.P. Møller Capital is exposed to currency risk as it has income in USD and costs primarily in USD, GBP and AED. The risk is actively mitigated by maintaining an adequate liquidity buffer in both USD and DKK. The Company has counterparty risk in relation to its bank deposits. As of December 31, 2018, the company had DKK 61.4m (2017: DKK 43.8m) in its bank accounts.

Business and operational risk

A.P. Møller Capital's business risks consists primarily of competitive pressure from competing Fund Managers as a result of a lack of efficiency, compliance, investment opportunities, etc, as this will make it more difficult to raise funds. Further, our business is to some extent reliant on a limited number of investors. This risk is actively sought mitigated by increasing the number of investors in Africa Infrastructure Fund I K/S.

Through its status as Fund Manager with a base in Denmark and a branch in Dubai, A.P. Møller Capital is subject to an extensive regulatory framework, which is only expected to increase in complexity. To be on the forefront of this, the Company has build-up compliance, risk and ESG (Ethical, Social, Governance) functions in line with the Danish and Dubai regulation.

To ensure focus and adequate resources to core activities, the Company has decided to outsource certain functions. This includes IT operations and accounting. Due to the separate regulatory framework that the branch in Dubai is subject to, the Company has further decided to outsource certain compliance tasks in Dubai. The tasks carried out by the outsourcing partner in Dubai are monitored by the Company's compliance function in Denmark.

Insurance

A.P. Møller Capital has taken out an investment manager insurance, which includes both Director's and Officer's liability and professional indemnity. The insurance covers claims that might arise as a result of wrongful acts, while performing or failing to perform investment services. The insurance covers annual claims of up to DKK 100m, with a deductible of DKK 1m. No claims have been submitted against the Company.

Accounting Policies

The annual report of A.P. Møller Capital P/S for 2018 has been prepared in accordance with the Danish Alternative Investment Fund Managers Act including the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of Alternative Investment Funds, and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions, investment companies, etc.

The annual report for 2018 is presented in DKK ('000).

The accounting policies applied are consistent with those of last year.

Comparison figures cover the period 27 December 2016 to 31 December 2017.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised on the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value unless different method is described below for each asset and liability.

Income statement

Administration fee

Revenue from quarterly management fee is recognised on the income statement in the financial period.

Staff expenses and administration

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the Company's employees. Administration includes cost for purchase of services, office rent, FAIF application etc.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial period. Net financials include interest income and expenses, foreign currency gains and losses.

Tax on profit/loss for the period

Tax for the period, which comprises the current tax charge for the period and changes in the deferred tax charge, is recognised in the income statement for the period until the company became fiscally transparent.

Balance sheet

Receivables

Receivables are measured at fair value.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Income tax and deferred tax

As the company is fiscally transparent, no current tax liabilities or current tax receivables are recognized in the financial statements.

Deferred tax assets are measured at the value to which the asset is expected to be realized in the joint taxation until the company became fiscally transparent.

Other payables

Other payables, which include trade payables and other payables, are measured at amortised cost, which is usually equivalent to fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised on the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are recognised directly in equity.

Financial ratios

Solvency ratio is defined as: $\text{Equity} / \text{Total assets} * 100$

Return on equity before and after tax is defined as: $\text{Net profit/loss for the period before and after tax} / \text{equity} * 100$.