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# ***Leap Beyond ApS***

Havnegade 39, DK-1058 København K

## **Annual Report for 1 January - 31 December 2020**

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CVR No 39 00 66 50

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
21/09 2021

Robert William Lambert  
Chairman of the General  
Meeting



**pwc**

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Leap Beyond ApS for the financial year 1 January - 31 December 2020.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

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

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

Copenhagen, 21 September 2021

### **Executive Board**

Robert William Lambert  
CEO

# The Independent Practitioner's Report

To the Shareholders of Leap Beyond ApS

## Conclusion

We have performed an extended review of the Consolidated Financial Statements and the Parent Company Financial Statements of Leap Beyond 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of the results of the Group and the Company operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

## Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the financial statements" section of our report. We are independent of the Group 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 rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Management's responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

## Practitioner's responsibilities for the extended review of the Consolidated Financial Statements and the Parent Company Financial Statements

## The Independent Practitioner's Report

Our responsibility is to express a conclusion on the Consolidated Financial Statements and the Parent Company Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Consolidated Financial Statements and the Parent Company Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Consolidated Financial Statements and the Parent Company Financial Statements.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the Consolidated Financial Statements and Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and Parent Company Financial Statements or our knowledge obtained during the extended review, 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Hellerup, 21 September 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne16675

## **Company Information**

### **The Company**

Leap Beyond ApS  
Havnegade 39  
DK-1058 København K

CVR No: 39 00 66 50  
Financial period: 1 January - 31 December  
Incorporated: 9 October 2017  
Financial year: 3rd financial year  
Municipality of reg. office: Copenhagen

### **Executive Board**

Robert William Lambert

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Financial Highlights

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

	<b>Group</b>		
	2020 TDKK	2019 TDKK	2018 TDKK
<b>Key figures</b>			
<b>Profit/loss</b>			
Gross profit/loss	10.141	9.310	15.972
Operating profit/loss	988	1.582	8.800
Profit/loss before financial income and expenses	1.002	1.582	8.800
Net financials	-46	-89	-146
Net profit/loss for the year	671	995	6.747
<b>Balance sheet</b>			
Balance sheet total	9.645	10.337	12.268
Equity	8.777	8.107	8.311
<b>Cash flows</b>			
Cash flows from:			
- operating activities	1.674	373	5.218
- investing activities	-283	-15	-27
including investment in property, plant and equipment	0	0	-27
- financing activities	0	-1.138	1.578
Change in cash and cash equivalents for the year	1.391	-780	6.769
Number of employees	10	8	8
<b>Ratios</b>			
Return on assets	10,4%	15,3%	71,7%
Solvency ratio	91,0%	78,4%	67,7%
Return on equity	7,9%	12,1%	162,4%

# Management's Review

## Key activities

The company's purpose is to provide products and services including consultancy services and create intellectual property rights within the areas of Big Data, Data Science, IT, strategy and management and purposes which, in the opinion of the Executive Board, are related to this.

## Development in the year

The income statement of the Group for 2020 shows a profit of DKK 670,595, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 8,777,293.

The Group has been affected by the Covid-19 pandemic, which has resulted in a close down of business in many of the countries where the Group operates. However, the Group has maintained its revenue and earnings on a satisfactory level during 2020 compared with 2019.

## 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	Group		Parent	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
<b>Revenue</b>		<b>20.528.757</b>	<b>28.726.747</b>	<b>3.910.030</b>	<b>5.292.781</b>
Other operating income		13.825	0	0	0
Cost of sales		-6.791.937	-15.559.363	-1.297.266	-2.704.360
Other external expenses		-3.609.857	-3.857.618	-2.183.869	-2.257.777
<b>Gross profit/loss</b>		<b>10.140.788</b>	<b>9.309.766</b>	<b>428.895</b>	<b>330.644</b>
Staff expenses	1	-9.055.341	-7.718.804	-566.851	-62.237
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-83.458	-8.935	-8.935	-8.935
<b>Profit/loss before financial income and expenses</b>		<b>1.001.989</b>	<b>1.582.027</b>	<b>-146.891</b>	<b>259.472</b>
Income from investments in subsidiaries		0	0	810.986	816.626
Financial income	2	1.676	4.073	1.651	4.056
Financial expenses	3	-48.156	-93.392	-34.418	-30.267
<b>Profit/loss before tax</b>		<b>955.509</b>	<b>1.492.708</b>	<b>631.328</b>	<b>1.049.887</b>
Tax on profit/loss for the year	4	-284.914	-498.193	39.267	-55.372
<b>Net profit/loss for the year</b>		<b>670.595</b>	<b>994.515</b>	<b>670.595</b>	<b>994.515</b>

## Distribution of profit

### Proposed distribution of profit

Reserve for net revaluation under the equity method		0	0	810.986	816.626
Retained earnings		670.595	994.515	-140.391	177.889
		<b>670.595</b>	<b>994.515</b>	<b>670.595</b>	<b>994.515</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Acquired licenses		219.670	0	0	0
<b>Intangible assets</b>	5	<b>219.670</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		5.212	14.147	5.212	14.147
<b>Property, plant and equipment</b>	6	<b>5.212</b>	<b>14.147</b>	<b>5.212</b>	<b>14.147</b>
Investments in subsidiaries	7	0	0	5.574.738	5.749.841
Deposits	8	4.010	15.483	4.010	0
<b>Fixed asset investments</b>		<b>4.010</b>	<b>15.483</b>	<b>5.578.748</b>	<b>5.749.841</b>
<b>Fixed assets</b>		<b>228.892</b>	<b>29.630</b>	<b>5.583.960</b>	<b>5.763.988</b>
Trade receivables		1.418.546	4.083.480	0	571.882
Receivables from group enterprises		0	0	20.441.217	12.080.566
Other receivables		596.696	233.983	128.004	209.902
Receivable from shareholders and Management		0	0	12.977	12.977
Deferred tax asset		1.147	205	1.147	205
Corporation tax		14.092	1.034	2.588	0
Prepayments		6.042	0	6.042	0
<b>Receivables</b>		<b>2.036.523</b>	<b>4.318.702</b>	<b>20.591.975</b>	<b>12.875.532</b>
<b>Cash at bank and in hand</b>		<b>7.379.931</b>	<b>5.988.817</b>	<b>730.208</b>	<b>1.614.936</b>
<b>Currents assets</b>		<b>9.416.454</b>	<b>10.307.519</b>	<b>21.322.183</b>	<b>14.490.468</b>
<b>Assets</b>		<b>9.645.346</b>	<b>10.337.149</b>	<b>26.906.143</b>	<b>20.254.456</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Share capital	9	101.558	101.558	101.558	101.558
Reserve for net revaluation under the equity method		0	0	4.507.179	3.696.194
Retained earnings		8.675.735	8.005.141	4.168.556	4.308.947
<b>Equity</b>		<b>8.777.293</b>	<b>8.106.699</b>	<b>8.777.293</b>	<b>8.106.699</b>
Prepayments received from customers		2	56.770	2	57.383
Trade payables		174.564	0	106.695	802.400
Payables to group enterprises		0	0	17.548.464	10.703.205
Corporation tax		0	1.422.925	0	579.974
Other payables		693.487	750.755	473.689	4.795
<b>Short-term debt</b>		<b>868.053</b>	<b>2.230.450</b>	<b>18.128.850</b>	<b>12.147.757</b>
<b>Debt</b>		<b>868.053</b>	<b>2.230.450</b>	<b>18.128.850</b>	<b>12.147.757</b>
<b>Liabilities and equity</b>		<b>9.645.346</b>	<b>10.337.149</b>	<b>26.906.143</b>	<b>20.254.456</b>
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## Statement of Changes in Equity

### Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	101.558	0	8.005.141	8.106.699
Exchange adjustments	0	0	-1	-1
Net profit/loss for the year	0	0	670.595	670.595
<b>Equity at 31 December</b>	<b>101.558</b>	<b>0</b>	<b>8.675.735</b>	<b>8.777.293</b>

### Parent

Equity at 1 January	101.558	3.696.194	4.308.947	8.106.699
Exchange adjustments	0	-1	0	-1
Net profit/loss for the year	0	810.986	-140.391	670.595
<b>Equity at 31 December</b>	<b>101.558</b>	<b>4.507.179</b>	<b>4.168.556</b>	<b>8.777.293</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 DKK	2019 DKK
Net profit/loss for the year		670.595	994.515
Adjustments	10	414.851	535.261
Change in working capital	11	2.356.711	-84.530
<b>Cash flows from operating activities before financial income and expenses</b>		<b>3.442.157</b>	<b>1.445.246</b>
Financial income		1.677	4.072
Financial expenses		-48.161	-93.386
<b>Cash flows from ordinary activities</b>		<b>3.395.673</b>	<b>1.355.932</b>
Corporation tax paid		-1.721.839	-983.133
<b>Cash flows from operating activities</b>		<b>1.673.834</b>	<b>372.799</b>
Purchase of intangible assets		-294.193	0
Fixed asset investments made etc		11.473	-14.969
<b>Cash flows from investing activities</b>		<b>-282.720</b>	<b>-14.969</b>
Other equity entries (should be broken down)		0	-1.137.786
<b>Cash flows from financing activities</b>		<b>0</b>	<b>-1.137.786</b>
<b>Change in cash and cash equivalents</b>		<b>1.391.114</b>	<b>-779.956</b>
Cash and cash equivalents at 1 January		5.988.817	6.768.773
<b>Cash and cash equivalents at 31 December</b>		<b>7.379.931</b>	<b>5.988.817</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		7.379.931	5.988.817
<b>Cash and cash equivalents at 31 December</b>		<b>7.379.931</b>	<b>5.988.817</b>

## Notes to the Financial Statements

	Group		Parent	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
<b>1 Staff expenses</b>				
Wages and salaries	8.160.254	6.911.654	488.450	0
Pensions	44.383	485.070	0	0
Other social security expenses	775.129	210.210	2.826	3.156
Other staff expenses	75.575	111.870	75.575	59.081
	<b>9.055.341</b>	<b>7.718.804</b>	<b>566.851</b>	<b>62.237</b>
<b>Average number of employees</b>	<b>10</b>	<b>8</b>	<b>1</b>	<b>0</b>
<b>2 Financial income</b>				
Other financial income	46	0	46	0
Exchange gains	1.630	4.073	1.605	4.056
	<b>1.676</b>	<b>4.073</b>	<b>1.651</b>	<b>4.056</b>
<b>3 Financial expenses</b>				
Other financial expenses	22.669	2.977	10.953	1.414
Exchange adjustments, expenses	25.487	90.415	23.465	28.853
	<b>48.156</b>	<b>93.392</b>	<b>34.418</b>	<b>30.267</b>
<b>4 Tax on profit/loss for the year</b>				
Current tax for the year	285.856	326.060	-38.325	56.232
Deferred tax for the year	-942	172.133	-942	-860
	<b>284.914</b>	<b>498.193</b>	<b>-39.267</b>	<b>55.372</b>

# Notes to the Financial Statements

## 5 Intangible assets

<b>Group</b>	Acquired licenses DKK
Cost at 1 January	372.591
Cost at 31 December	372.591
Transfers for the year	0
Revaluations at 31 December	0
Impairment losses and amortisation at 1 January	78.398
Amortisation for the year	74.523
Impairment losses and amortisation at 31 December	152.921
<b>Carrying amount at 31 December</b>	<b>219.670</b>

## 6 Property, plant and equipment

<b>Group</b>	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	26.805
Cost at 31 December	26.805
Impairment losses and depreciation at 1 January	12.658
Depreciation for the year	8.935
Impairment losses and depreciation at 31 December	21.593
<b>Carrying amount at 31 December</b>	<b>5.212</b>
Depreciated over	5 years

## Notes to the Financial Statements

	<b>Parent</b>	
	2020 DKK	2019 DKK
<b>7 Investments in subsidiaries</b>		
Cost at 1 January	1.216.762	1.216.755
Additions for the year	0	7
Cost at 31 December	<u>1.216.762</u>	<u>1.216.762</u>
Value adjustments at 1 January	3.696.194	2.878.524
Exchange adjustment	-4.645	1.044
Net profit/loss for the year	1.337.662	816.626
Dividend to the Parent Company	-3.248.778	0
Other equity movements, net	-522.031	0
Value adjustments at 31 December	<u>1.258.402</u>	<u>3.696.194</u>
Equity investments with negative net asset value amortised over receivables	<u>3.099.574</u>	<u>836.885</u>
<b>Carrying amount at 31 December</b>	<b><u>5.574.738</u></b>	<b><u>5.749.841</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Leap Beyond DK ApS	Copenhagen	DKK 60.000	100%
Leap Beyond B.V	Amsterdam	EUR 50.000	100%
Leap Beyond UK	London	GBP 43.324	100%
Leap Beyond E.T.	Amsterdam	EUR 1	100%

## 8 Other fixed asset investments

	<b>Group</b>	<b>Parent</b>
	Deposits DKK	Deposits DKK
Cost at 1 January	4.010	4.010
Cost at 31 December	<u>4.010</u>	<u>4.010</u>
<b>Carrying amount at 31 December</b>	<b><u>4.010</u></b>	<b><u>4.010</u></b>



# Notes to the Financial Statements

## 9 Equity

The share capital consists of 101,558 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2020	2019	2018	2017	2016
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	101.558	101.558	0	0	0
Capital increase	0	0	101.558	0	0
Capital decrease	0	0	0	0	0
<b>Share capital at 31 December</b>	<b>101.558</b>	<b>101.558</b>	<b>101.558</b>	<b>0</b>	<b>0</b>

## 10 Cash flow statement - adjustments

	Group	
	2020	2019
	DKK	DKK
Financial income	-1.676	-4.073
Financial expenses	48.156	93.392
Depreciation, amortisation and impairment losses, including losses and gains on sales	83.458	8.935
Tax on profit/loss for the year	284.914	498.193
Other adjustments	-1	-61.186
	<b>414.851</b>	<b>535.261</b>

## 11 Cash flow statement - change in working capital

Change in receivables	2.296.181	1.157.680
Change in trade payables, etc	60.530	-1.242.210
	<b>2.356.711</b>	<b>-84.530</b>

## Notes to the Financial Statements

	Group		Parent	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
<b>12 Contingent assets, liabilities and other financial obligations</b>				

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	62.946	62.946	17.800	17.800
	<b>62.946</b>	<b>62.946</b>	<b>17.800</b>	<b>17.800</b>

### Other contingent liabilities

There are no other security and contingent liabilities at 31 December 2020.

# Notes to the Financial Statements

## 13 Accounting Policies

The Annual Report of Leap Beyond ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Consolidated and Parent Company Financial Statements for 2020 are presented in DKK.

### 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.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Leap Beyond ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

### Business combinations

#### *Uniting of interests*

Intragroup business combinations are accounted for under the uniting-of-interests method. Under this

# Notes to the Financial Statements

## 13 Accounting Policies (continued)

method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The uniting-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

### Leases

All 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

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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

### Cost of sales

Cost of sales comprise consumables consumed to achieve revenue for the year.

# Notes to the Financial Statements

## 13 Accounting Policies (continued)

### Other external expenses

Other external expenses comprise 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, cost of sales 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 Group, 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.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### 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 subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## 13 Accounting Policies (continued)

### 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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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	5	years
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The fixed assets' residual values are determined at nil.

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.

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 with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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

# Notes to the Financial Statements

## 13 Accounting Policies (continued)

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.

### **Equity**

#### ***Dividend***

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

### **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, including the tax base of tax loss carry-forwards, 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.

# Notes to the Financial Statements

## 13 Accounting Policies (continued)

### Financial debts

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

## Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.



# Notes to the Financial Statements

## 13 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$