



Zafe ApS

Høveltevej 67
3460 Birkerød
CVR No. 39189232

Annual report 2020

The Annual General Meeting adopted the
annual report on 28.05.2021

Trine Bøgelund

Chairman of the General Meeting

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Entity details

Entity

Zafe ApS

Høveltevej 67

3460 Birkerød

Business Registration No.: 39189232

Registered office: Furesø

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Niels Ravn, Chairman

Peter Zibrandtsen

Niels Erik Blangstrup Zibrandtsen

Anna Zibrandtsen

Lisbeth Neel Zibrandtsen

Claus Zibrandtsen

Executive Board

Peter Zibrandtsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Zafe ApS for the financial year 01.01.2020 - 31.12.2020

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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.

Furesø, 28.05.2021

Executive Board

Peter Zibrandtsen

CEO

Board of Directors

Niels Ravn

Chairman

Peter Zibrandtsen

Niels Erik Blangstrup Zibrandtsen

Anna Zibrandtsen

Lisbeth Neel Zibrandtsen

Claus Zibrandtsen

Independent auditor's report

To the shareholders of Zafe ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Zafe ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 consolidated financial statements and the parent 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.

Copenhagen, 28.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Rosquist Andersen

State Authorised Public Accountant
Identification No (MNE) mne31482

Mads Juul Hansen

State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures			
Gross profit/loss	(9.858)	(7.125)	(2.426)
Operating profit/loss	(12,229)	(9,391)	(3,566)
Net financials	19,197	107.529	93.175
Profit/loss for the year	11,201	76,713	94,618
Balance sheet total	997,568	1,011,092	921,150
Investments in property, plant and equipment	0	1.123	23,716
Equity	995,638	994,437	917,724
Cash flows from operating activities	(28,519)	92,597	56
Cash flows from investing activities	(38,044)	(56,966)	(237,520)
Cash flows from financing activities	(10,000)	0	0
Ratios			
Return on equity (%)	1,13	8,02	20,62
Equity ratio (%)	99.81	98.35	99.63

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

The Group's main activity is to hold securities and own long term investment in other companies.

Development in activities and finances

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of tDKK 11,201 and the Balance Sheet at 31 December 2020 a balance sheet total of tDKK 997,568 and an equity of tDKK 995,638.

Management finds the result in accordance with the plan for the year 2020 and is satisfied with the progress and development of the Group companies according to the long-term plan. Management believes that the progress of 2020 is well within the threshold of the overall plan and therefore the result is considered as satisfactory

Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially. So far the COVID-19 outbreak at the beginning of 2020 has not had any material effect on the Group and the Parent's financial position and development. The Group and the Parent is closely monitoring any potential impact from the COVID-19 on the Group and the Parent's business.

Consolidated income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Gross profit/loss		(9,858)	(7,125)
Staff costs	1	(1,787)	(1,694)
Depreciation, amortisation and impairment losses	2	(584)	(572)
Operating profit/loss		(12,229)	(9,391)
Income from investments in associates		5,766	1,103
Other financial income		26,382	106,697
Other financial expenses		(7,185)	(271)
Profit/loss before tax		12,734	98,138
Tax on profit/loss for the year	3	(1,533)	(21,425)
Profit/loss for the year	4	11,201	76,713

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Land and buildings		23,681	24,267
Property, plant and equipment	5	23,681	24,267
Investments in associates		56,661	50,866
Other investments		692,918	654,319
Other receivables		0	554
Financial assets	6	749,579	705,739
Fixed assets		773,260	730,006
Trade receivables		95	0
Receivables from associates		28,390	7,766
Deferred tax	7	80	7
Other receivables		1,295	2,460
Tax receivable		193	0
Prepayments	8	0	35
Receivables		30,053	10,268
Other investments		112,582	259,044
Investments		112,582	259,044
Cash		81,673	11,774
Current assets		224,308	281,086
Assets		997,568	1,011,092

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		50	50
Retained earnings		975,618	984,387
Proposed dividend for the financial year		19,970	10,000
Equity		995,638	994,437
Deposits		291	96
Non-current liabilities other than provisions		291	96
Trade payables		0	75
Payables to group enterprises		0	3,821
Payables to associates		141	0
Tax payable		0	12,516
Other payables		1,282	145
Deferred income	9	216	2
Current liabilities other than provisions		1,639	16,559
Liabilities other than provisions		1,930	16,655
Equity and liabilities		997,568	1,011,092
Contingent liabilities	11		
Subsidiaries	12		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Total DKK'000
Equity beginning of year	50	984,387	10,000	994,437
Ordinary dividend paid	0	0	(10,000)	(10,000)
Profit/loss for the year	0	(8,769)	19,970	11,201
Equity end of year	50	975,618	19,970	995,638

Consolidated cash flow statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Operating profit/loss		(12,229)	(9,391)
Amortisation, depreciation and impairment losses		584	572
Working capital changes	10	(21,631)	(7,277)
Cash flow from ordinary operating activities		(33,276)	(16,096)
Financial income received		26,382	106,697
Financial expenses paid		(7,185)	(271)
Taxes refunded/(paid)		(14,440)	2,267
Cash flows from operating activities		(28,519)	92,597
Acquisition etc. of property, plant and equipment		0	(1,123)
Repayments received		554	0
Net purchase of financial products		(38,598)	(55,843)
Cash flows from investing activities		(38,044)	(56,966)
Free cash flows generated from operations and investments before financing		(66,563)	35,631
Dividend paid		(10,000)	0
Cash flows from financing activities		(10,000)	0
Increase/decrease in cash and cash equivalents		(76,563)	35,631
Cash and cash equivalents beginning of year		270,818	235,187
Cash and cash equivalents end of year		194,255	270,818
Cash and cash equivalents at year-end are composed of:			
Cash		81,673	11,774
Securities		112,582	259,044
Cash and cash equivalents end of year		194,255	270,818

Notes to consolidated financial statements

1 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	1,625	1,636
Pension costs	159	56
Other social security costs	3	2
	1,787	1,694
Average number of full-time employees	1	1

With reference to section 98 b, paragraph 1, of the Danish Financial Statements Act. 3, the remuneration of the Executive Board is not disclosed.

2 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Depreciation on property, plant and equipment	584	572
	584	572

3 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Current tax	1,533	13,651
Change in deferred tax	(91)	7,774
Adjustment concerning previous years	91	0
	1,533	21,425

4 Proposed distribution of profit/loss

	2020 DKK'000	2019 DKK'000
Ordinary dividend for the financial year	19,970	10,000
Retained earnings	(8,769)	66,713
	11,201	76,713

5 Property, plant and equipment

	Land and buildings DKK'000
Cost beginning of year	24,838
Cost end of year	24,838
Depreciation and impairment losses beginning of year	(572)
Depreciation for the year	(584)
Depreciation and impairment losses end of year	(1,156)
Carrying amount end of year	23,682

6 Financial assets

	Investments in associates DKK'000	Other investments DKK'000
Cost beginning of year	50,051	654,319
Cost end of year	50,051	654,319
Revaluations beginning of year	843	0
Share of profit/loss for the year	5,767	0
Revaluations for the year	0	38,599
Revaluations end of year	6,610	38,599
Carrying amount end of year	56,661	692,918

Associates	Registered in	Ownership %
Zhinfra K/S	Furesø, Denmark	37,5
Zhinfra General Partner ApS	Furesø, Denmark	40,5

7 Deferred tax

	2020 DKK'000	2019 DKK'000
Changes during the year		
Beginning of year	7	0
Recognised in the income statement	73	7
End of year	80	7

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

Deferred tax assets is expected to be used within 3-5 years.

8 Prepayments

Prepayments consist of accrued expenses.

9 Deferred income

Deferred income consist of deferred rental charges.

10 Changes in working capital

	2020 DKK'000	2019 DKK'000
Increase/decrease in receivables	(19,519)	(7,990)
Increase/decrease in trade payables etc.	(2,112)	713
	(21,631)	(7,277)

11 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

12 Subsidiaries

	Registered in	Corporate form	Ownership %
Bjarkesvej 3 ApS	Furesø, Denmark	ApS	100

Parent income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Gross profit/loss		(10,002)	(6,887)
Staff costs	1	(1,788)	(1,693)
Operating profit/loss		(11,790)	(8,580)
Income from investments in group enterprises		(1,403)	(1,385)
Income from investments in associates		5,766	1,103
Other financial income from group enterprises		0	861
Other financial income		27,336	106,697
Other financial expenses		(7,175)	(266)
Profit/loss before tax		12,734	98,430
Tax on profit/loss for the year	2	(1,533)	(21,717)
Profit/loss for the year	3	11,201	76,713

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Investments in group enterprises		0	1,188
Investments in associates		56,661	50,896
Other investments		692,918	654,319
Other receivables		0	554
Financial assets	4	749,579	706,957
Fixed assets		749,579	706,957
Receivables from group enterprises		44,827	24,121
Receivables from associates		7,929	7,765
Other receivables		1,253	1,745
Receivables		54,009	33,631
Other investments		112,582	259,044
Investments		112,582	259,044
Cash		80,600	11,572
Current assets		247,191	304,247
Assets		996,770	1,011,204

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		50	50
Reserve for net revaluation according to the equity method		5,422	587
Retained earnings		970,196	983,800
Proposed dividend for the financial year		19,970	10,000
Equity		995,638	994,437
Tax payable		99	12,516
Joint taxation contribution payable		0	285
Other payables		1,033	3,966
Current liabilities other than provisions		1,132	16,767
Liabilities other than provisions		1,132	16,767
Equity and liabilities		996,770	1,011,204

Contingent liabilities	5
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Related parties with controlling interest	6
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Parent statement of changes in equity for 2020

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	50	587	983,800	10,000	994,437
Ordinary dividend paid	0	0	0	(10,000)	(10,000)
Profit/loss for the year	0	4,835	(13,604)	19,970	11,201
Equity end of year	50	5,422	970,196	19,970	995,638

Notes to parent financial statements

1 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	1,626	1,636
Pension costs	159	56
Other social security costs	3	1
	1,788	1,693
Average number of full-time employees	1	1

With reference to section 98 b, paragraph 1, of the Danish Financial Statements Act. 3, the remuneration of the Executive Board is not disclosed.

2 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Current tax	1,533	13,936
Change in deferred tax	0	7,781
	1,533	21,717

3 Proposed distribution of profit and loss

	2020 DKK'000	2019 DKK'000
Ordinary dividend for the financial year	19,970	10,000
Retained earnings	(8,769)	66,713
	11,201	76,713

4 Financial assets

	Investments in group enterprises DKK'000	Investments in associates DKK'000	Other investments DKK'000
Cost beginning of year	1,188	50,051	654,319
Additions	0	0	38,599
Cost end of year	1,188	50,051	692,918
Revaluations beginning of year	0	843	0
Share of profit/loss for the year	(1,188)	5,767	0
Revaluations end of year	(1,188)	6,610	0
Carrying amount end of year	0	56,661	692,918

Investments in associates	Registered in	Corporate form	Ownership %
Zhinfra K/S	Furesø, Denmark	K/S	37,5
Zhinfra	Furesø, Denmark	ApS	40,5

5 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

6 Related parties with controlling interest

Zafe ApS' related parties include:

Controlling interest

LNZ Holding Zafe ApS, 3460 Birkerød is the ultimate owner.

Lisbeth Zibrandtsen, Høveltevej 65, 3460 Birkerød is the principal 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 informs of all substantial transactions that were not concluded on market conditions. There has not been such transactions in 2020.

Accounting policies

Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses regarding sale and administration.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

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.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

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

Depreciation, amortisation and impairment losses

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

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 pro rata elimination of intra-group profits or losses.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

Buildings	20 - 40 years
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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 in the parent financial statements 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. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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 in equity.

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. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in associates.

Associates with negative equity value are measured at DKK 0. Any receivables from these associates are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

Receivables

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

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the estimated fair value.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

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

Other investments (current assets)

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the estimated fair value.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.