

---

# ***OneSchool Europe Fond***

Walgerholm 13, Jonstrup, DK-3500 Værløse

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

---

CVR No 39 31 12 59

The Annual Report was  
presented and adopted at  
the Board Meeting of the  
Foundation on 7 /7 2021

Timothée Malécot  
Chairman of the General  
Meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Foundation Information</b>	
Foundation Information	5
Management's Review	6
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	9
Balance Sheet 31 December	10
Statement of Changes in Equity	12
Notes to the Financial Statements	13

# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of OneSchool Europe Fond for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

Værløse, 7 July 2021

## Executive Board

Sebastian Lauber

## Board of Directors

Timothée Malécot  
Chairman

Howard James Anderson  
Deputy Chairman

Ronnie Bartolomei

Mats Werner Lidbeck

Dag Pfeiffer

Pierre-David Picq

Sebastian Lauber

# Independent Auditor's Report

To the Board of Directors of OneSchool Europe Fond

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2020 and of the results of the Foundation's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of OneSchool Europe Fond 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 ("the Financial Statements").

## 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 Foundation 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.

## 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 Financials Statements Act.

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

# Independent Auditor's Report

## **Management's responsibilities for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent Auditor's Report

- 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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 7 July 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Poul Madsen  
State Authorised Public Accountant  
mne10745

Daniel Nielsen  
State Authorised Public Accountant  
mne45105

## Foundation Information

### **The Foundation**

OneSchool Europe Fond  
Walgerholm 13, Jonstrup  
DK-3500 Værløse

CVR No: 39 31 12 59  
Financial period: 1 January - 31 December  
Municipality of reg. office: Værløse

### **Board of Directors**

Timothée Malécot, Chairman  
Howard James Anderson  
Ronnie Bartolomei  
Mats Werner Lidbeck  
Dag Pfeiffer  
Pierre-David Picq  
Sebastian Lauber

### **Executive Board**

Sebastian Lauber

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## Purpose

The purpose of the fund is to provide management and financial support to schools, students and parents, respectively in Europe and in other parts of the world. It is also the purpose of the Fund to provide management service for payment on market terms, including activities through a subsidiary.

## Vision

The OneSchool Global vision is to create 'A global education ecosystem that develops life-ready students who learn how to learn and achieve. This is based on five core values: Integrity, Care and Compassion, Respect, Responsibility and Commitment.

At OneSchool Europe Fond we have worked together with OneSchool Global and agreed to a strategy for the Years 2021 to 2023.

Students are at the core of everything we do, and our decisions are based on their needs. The result is that they are committed to do the best they can. One of the key goals is for our students to be self-directed and engaged to learn. We also want our students to improve their knowledge of the English language that excel their native country standards.

Educators are challenging our students to reach their full potential Educator Excellence - We want educators to thrive, deliver excellent student performance and challenge learning norms. We have set up a Teacher Academy which provides training for staff in all campuses – this will ensure Educators are trained to use digital tools such as Zoom and Canvas. They are passionate and inspiring students to reach their maximum. During this challenging year with the CV-19 pandemic educators were therefore prepared to deliver first-class education in remote learning. We have also made an IT system available for schools for communication purposes, and a platform for schools to collaborate between countries. This will be continuously developed during 2021. As English is a universal language, we have offered English courses to teachers. Furthermore, OneSchool Europe Fond organizes and coordinates events (mainly remote in 2020) for teachers to workshop their ideas and to network across multiple countries.

Parents & Community will be key to deliver our vision. This includes community management teams and also donors. It is important that they are always well-informed so they are fully engaged.

Technology was clearly most important during 2020. To ensure our students have a safe environment which is also robust and reliable. Consistent technology empowers our learning and teaching.

The Learning to Learn Framework really is the basis of our pedagogic system. It is based on the Assignment, Lesson and Study (incl. Tutorial). Delivering a quality curriculum is of key importance.

Financial Sustainability is needed to continue good learning outcomes long into the future. To ensure this our campuses are lean, effective and value focused.



# Management's Review

## Development in the year

Generally 2020 was very much focused on the Covid-19 pandemic – schools had to adapt quickly to provide remote learning, train some staff in shortest time, provide more students with access to IT infrastructure (laptops, headsets, etc. ) so they could participate in Zoom classes. From a financial perspective we analyzed early on what changes need to be made to compensate a potential lesser income from donors across the region. OSEF worked closely with all campus finance team to ensure expenses stay below budget.

As for finances of the fund we rely on grants from NAF Europe who have committed their support towards our causes going forward.

The income statement of the Company for 2020 shows a profit of EUR 35,262, and at 31 December 2020 the balance sheet of the Company shows equity of EUR 92,948.

Misstatements occurred in 2017, 2018 and 2019 has been corrected in the figures for 2020, consequently, affecting the net result and equity for the year 2020 by EUR 200k, reference is made to note 7.

## Statement of good management concerning foundation

The Statement of Good Fund Management is available on the Foundation's website:

<https://www.oneschooleurope.com/documents>.

## Detail about the Board of Directors

	<b>Timothée Malécot</b>	<b>Howard James Anderson</b>	<b>Ronnie Bartolomei</b>	<b>Mats Werner Lidbeck</b>	<b>Dag Pfeiffer</b>
Position	Vice Chairman	Vice Chairman	Ordinary member	Ordinary member	Ordinary member
Age	57	57	38	42	39
Gender	Male	Male	Male	Male	Male
Date of entry of the board	16. September 2019	16. September 2019	16. September 2019	16. September 2019	28. September 2017
Reelection has taken place	No	No	No	No	No
Expiration of legislature	At the age of 70	At the age of 70	At the age of 70	At the age of 70	At the age of 70
The members special skills	Governance and Compliance	Governance and Compliance	HR	Finance	Marketing and General management
Other managerial posts	Business owner of REALINOX SARL	Business owner of STROME BRG	Director at Arch'Office	Business owner for Nordiskt Papper AB	CEO at Nordiska
Appointed by an authority or a supervision	No	No	No	No	No
Is the member considered independent	Yes	Yes	Yes	Yes	Yes

## Management's Review

	<b>Pierre-David Picq</b>	<b>Sebastian Lauber</b>
Position	Ordinary member	Ordinary member
Age	37	36
Gender	Male	Male
Date of entry of the board	28. September 2017	28. September 2017
Reelection has taken place	No	No
Expiration of legislature	At the age of 70	At the age of 70
The members special skills	HR	Finance
Other managerial posts	General manager of KRÖMM	GAP and Fortdress KG
Appointed by an authority or a supervision	No	No
Is the member considered independent	Yes	Yes

### Statement on distribution policy

The Foundation made external distributions of EUR 12k and internal donations of EUR 161k in the financial year 2020.

The Foundation's principal activity is to provide management and financial support to schools, students and their parents. In the financial year, the Foundation focused on the coaching and management of students in respect of which expenses were incurred for teachers and mentors offered to the students taking part in the Foundations education programs. The internal grants therefore relates to expenses for external teachers and development of education programs and plans.

The Board of Directors has decided that next year, the Foundation will continue its work on management and counselling of students. The long-term expectations of the Board of Directors are to forward scholarships and grants to students taking part in the education programs and, accordingly, the Board of Directors has determined a grant distribution limit of EUR 15k.

At this time, the Foundation has, no distribution policy due to its short life. With its future strategic work with the Foundation, the Board of Directors will lay down a distribution policy. The announced grant distribution limit is to be used for grant allocations in accordance with the Foundation's Charter and the object of the Foundation

### 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	2020 EUR	2019 EUR
<b>Gross profit/loss</b>		<b>546,447</b>	<b>574,298</b>
Staff expenses	1	-570,177	-611,089
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-638	-46
Income from investments in subsidiaries		113,003	-74,980
<b>Profit/loss before financial income and expenses</b>		<b>88,635</b>	<b>-111,817</b>
Financial income		0	2,983
Financial expenses		-53,373	-49,387
<b>Profit/loss before tax</b>		<b>35,262</b>	<b>-158,221</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>35,262</b>	<b>-158,221</b>

## Distribution of profit

### Proposed distribution of profit

Distributions for the year	12,051	88,002
Reserve for net revaluation under the equity method	31,423	-74,980
Adjustment distribution frame	-248,714	-88,002
Retained earnings	252,553	4,761
	<b>35,262</b>	<b>-158,221</b>

## Balance Sheet 31 December

### Assets

	Note	2020 EUR	2019 EUR
Other fixtures and fittings, tools and equipment		1,229	1,867
<b>Property, plant and equipment</b>	2	<b>1,229</b>	<b>1,867</b>
Investments in subsidiaries	3	14,736	0
<b>Fixed asset investments</b>		<b>14,736</b>	<b>0</b>
<b>Fixed assets</b>		<b>15,965</b>	<b>1,867</b>
Trade receivables		0	36,293
Receivables from group enterprises		45,500	12,500
Other receivables		4,885	536,461
<b>Receivables</b>		<b>50,385</b>	<b>585,254</b>
<b>Cash at bank and in hand</b>		<b>100,289</b>	<b>35,083</b>
<b>Currents assets</b>		<b>150,674</b>	<b>620,337</b>
<b>Assets</b>		<b>166,639</b>	<b>622,204</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2020 EUR	2019 EUR
Contributed capital		66,492	66,492
Reserve for net revaluation under the equity method		8,023	-74,980
Distribution frame		15,000	275,765
Retained earnings		3,433	2,084
<b>Equity</b>		<b>92,948</b>	<b>269,361</b>
Provisions relating to investments in group enterprises		0	68,267
<b>Provisions</b>		<b>0</b>	<b>68,267</b>
Other payables		18,503	7,850
<b>Long-term debt</b>	4	<b>18,503</b>	<b>7,850</b>
Trade payables		25,933	246,760
Other payables	4	29,255	29,966
<b>Short-term debt</b>		<b>55,188</b>	<b>276,726</b>
<b>Debt</b>		<b>73,691</b>	<b>284,576</b>
<b>Liabilities and equity</b>		<b>166,639</b>	<b>622,204</b>
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Accounting Policies	7		

## Statement of Changes in Equity

	Contributed capital	Reserve for net revaluation under the equity method	Distribution frame	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR
Equity at 1 January	66,492	0	275,765	-4,516	337,741
Net effect of correction of material misstatements	0	0	0	-199,624	-199,624
Adjusted equity at 1 January	66,492	0	275,765	-204,140	138,117
Distributions 2020	0	0	-12,051	0	-12,051
Dividend from group enterprises	0	-30,000	0	30,000	0
Transfers, reserves	0	0	-248,714	248,714	0
Net profit/loss for the year	0	38,023	0	-71,141	-33,118
<b>Equity at 31 December</b>	<b>66,492</b>	<b>8,023</b>	<b>15,000</b>	<b>3,433</b>	<b>92,948</b>

# Notes to the Financial Statements

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<b>1 Staff expenses</b>		
Wages and salaries	569,322	610,169
Other social security expenses	305	482
Other staff expenses	550	438
	<u>570,177</u>	<u>611,089</u>
<b>Average number of employees</b>	<u>6</u>	<u>7</u>

The Foundation's Board of Directors do not receive any remuneration for their work.

## 2 Property, plant and equipment

	<u>Other fixtures and fittings, tools and equipment</u>
	EUR
Cost at 1 January	<u>1,913</u>
Cost at 31 December	<u>1,913</u>
Impairment losses and depreciation at 1 January	46
Depreciation for the year	<u>638</u>
Impairment losses and depreciation at 31 December	<u>684</u>
<b>Carrying amount at 31 December</b>	<u>1,229</u>

## Notes to the Financial Statements

	2020 EUR	2019 EUR
<b>3 Investments in subsidiaries</b>		
Cost at 1 January	6,713	6,713
Cost at 31 December	6,713	6,713
Value adjustments at 1 January	-74,980	85,325
Net profit/loss for the year	113,003	-74,980
Dividend to the Parent Company	-30,000	-85,325
Value adjustments at 31 December	8,023	-74,980
Equity investments with negative net asset value transferred to provisions	0	68,267
<b>Carrying amount at 31 December</b>	<b>14,736</b>	<b>0</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
CAP EU ApS	Værløse	6,713	100%	44,736	113,003

### 4 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

#### Other payables

Between 1 and 5 years	18,503	7,850
Long-term part	18,503	7,850
Other short-term payables	29,255	29,966
	<b>47,758</b>	<b>37,816</b>



# Notes to the Financial Statements

## 5 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The Foundation has made a tax deduction of EUR 95k (2019: EUR 268k) equivalent to a deferred tax liability of EUR 21k (2019: EUR 59k). The deferred tax liability has not been recognised in the Financial Statements as Management assesses that the Foundation will in future make distributions that, will neutralise the liability.

There are no other collateral and contingent liabilities per. 31 December 2020.

## 6 Related parties

Sebastian Lauber, ordinary member of the Board, has invoiced the Foundation EUR 18.400 regarding consulting fees.

There has been no other transactions with related parties.

# Notes to the Financial Statements

## 7 Accounting Policies

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in Euro.

### Correction of material misstatements

In connection with the preparation of the annual report, material misstatements have been identified in the accounts for 2017, 2018 and 2019. The identified misstatements consists of errors in recognition of consulting expenses.

The misstatements have been corrected in the figures for 2020, consequently, affecting the net result and equity for the year 2020 by EUR 200k.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

### 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

Euro is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Income Statement

#### Income

Income is measured at the consideration received and is recognised exclusive of VAT.

#### Other external expenses

Other external expenses comprise administration, external teachers 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 income 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 intangible assets and 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 Company, 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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

## 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.

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	3-5	years
--	-----	-------

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### **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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

### **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.

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 distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### **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.

### **Financial debts**

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

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### **Distributions**

#### ***Distributions paid out***

Distributions that have been adopted and paid out in accordance with the purpose of the Foundation at the balance sheet date are deducted from equity in connection with distribution of profit.

#### ***Distributions not yet paid out***

Distributions that have been adopted in accordance with the purpose of the Foundation at the balance sheet date and have been announced to the recipients, but have not yet been paid out at the balance sheet date, are deducted equity in connection with distribution of profit and recognised as debt.

#### ***Distribution framework***

At the meeting of the Board of Directors at which the Annual Report is adopted, the Board of Directors lays down a distribution framework in respect of the amount expected to be distributed. This amount is transferred from distributable reserves to the distribution framework. Concurrently with being announced to the recipients, the distribution amounts are paid out, or they are transferred to debt or, in rare cases, to provisions relating to distributions.