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# ***DHI Fonden***

Agern Alle 5, DK-2970 Hørsholm

## **Annual Report for 1 January - 31 December 2021**

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CVR No 40 12 70 97

The Annual Report was  
presented and adopted at  
the Meeting of Board of  
Directors on  
31/05 2022

Per Falholt  
Chairman of the Board of  
Directors



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## **Management's Statement**

The Board of Directors has today considered and adopted the Annual Report of DHI Fonden for the financial year 1 January - 31 December 2021.

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 2021 of the Foundation and of the results of the Foundation's operations for 2021.

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

Hørsholm, 31 May 2022

### **Board of Directors**

Per Falholt  
Chairman

Mikkel Esbjerg

Helle Rootzén

# Independent Auditor's Report

To the Board of Directors of DHI Fonden and the Danish Business Authority

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2021 and of the results of the Foundation's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DHI Fonden for the financial year 1 January - 31 December 2021, 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 and the IESBA Code. 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 Financial 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.

## 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 misstate-

# Independent Auditor's Report

ment, 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.
- 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

# Independent Auditor's Report

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, 31 May 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jacob F Christiansen  
State Authorised Public Accountant  
mne18628

Søren Alexander  
State Authorised Public Accountant  
mne42824

## Information about the Foundation

### **The Foundation**

DHI Fonden  
Agern Alle 5  
DK-2970 Hørsholm

CVR No: 40 12 70 97  
Financial period: 1 January - 31 December  
Municipality of reg. office: Hørsholm

### **Board of Directors**

Per Falholt, Chairman  
Mikkel Esbjerg  
Helle Rootzén

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## The Foundation's main activities

The objects of the Foundation are to support non-profit or charitable purposes, including in particular to promote and support technological development and competence in Denmark in the areas of aquaculture and offshore technology, oceanography and marine environment, water resources, aquatic ecology, environmental chemistry, health and environment, water in industry and urban environment and related areas - with a view to enhancing business and the society's opportunities to create development and welfare in Denmark and abroad in a technically, economically and environmentally optimal way.

## Development in activities and economic conditions

The Fund's income statement for 2021 shows a loss of DKK 511,377 and the Fund's balance sheet as per 31 December 2021 shows an equity of DKK 306,583,065. The result for the year is in line with management's expectations.

## Statement regarding the Recommendations on foundation governance

The Foundation's Board of Directors constantly strives to ensure that the Foundation's management and control systems are effective, appropriate and well-functioning.

A number of internal policies and procedures have been adopted and regularly maintained for the purpose of safe and appropriate governance of the Foundation.

Recommendations of the Committee on Foundation Governance of December 2014. These Recommendations are available from the Committee's website: [www.godfondsledelse.dk](http://www.godfondsledelse.dk) The Foundation is subject to the said Recommendations.

## Expectation for 2021

Any return on the financial assets of the Foundation will depend on the fluctuation/developments on the national and international bonds and stock markets. The fund's other activities and costs are expected to be in line with 2021.

## Recommendations on foundation governance

The Foundation is covered by the Recommendations on Foundation Governance, which are available on the website of the Committee on Foundation Governance [www.godfondsledelse.dk](http://www.godfondsledelse.dk).



# Management's Review

Recommendation	The foundation complies	The foundation does not comply and explains
<b>1. Transparency and communication</b>		
1.1. IT IS RECOMMENDED that the board of directors adopt principles for external communication, including who can make public statements on behalf of the foundation and on what matters. The principles should address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.	It's set out in the Rules of Procedure, that the chairman of the board makes public statements on behalf of the Foundation. The board may agree on other procedures depending on the specific circumstances.	
<b>2. Tasks and responsibilities of the board of directors</b>		
<b>2.1 Overall tasks and responsibilities</b>		
2.1.1 IT IS RECOMMENDED that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, at least once a year the board of directors take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.	The Rules of Procedure states this happens at least once a year.	
2.1.2 IT IS RECOMMENDED that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.	The Board discuss the financial status and asset management on each board meeting.	

## Management's Review

Recommendation	The foundation complies	The foundation does not comply and explains
<b>2.2 Chairman and vice-chairman of the board of directors</b>		
2.2.1 IT IS RECOMMENDED that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members individually and collectively.	The Rules of Procedure state this is handled by the chairman.	
2.2.2 IT IS RECOMMENDED that if, in addition to the position as chairman, in exceptional circumstances, the chairman of the board of directors is requested to perform specific operating functions for the commercial foundation, a board resolution be passed which ensures that the board of directors retains its independent, overall management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.	This is set out in the Rules of Procedure.	
<b>2.3 Composition and organization of the board of directors</b>		
2.3.1 IT IS RECOMMENDED that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors is to possess in order to perform the tasks incumbent upon the board of directors as well as possible.	This is set out in the Rules of Procedure and the Articles of Association of the Foundation.	
2.3.2 IT IS RECOMMENDED that, with due respect of any right in the articles of association to make appointments, the board of directors ensures a structured, thorough and transparent process for selection and	This is set out in the Rules of Procedure and the Articles of Association of the Foundation.	

## Management's Review

Recommendation	The foundation complies	The foundation does not comply and explains
nomination of candidates for the board of directors.		
2.3.3 IT IS RECOMMENDED that members of the board of directors are appointed on the basis of their personal qualities and competences taking into account the collective competences of the board and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity is considered in relation to commercial and grants experience, age and gender.	This is set out in the Rules of Procedure and the Articles of Association of the Foundation.	
<p>2.3.4 IT IS RECOMMENDED that in the management review in the annual report and on the commercial foundation's website, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:</p> <ul style="list-style-type: none"> <li>the name and position of the member,</li> <li>the age and gender of the member,</li> <li>date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,</li> <li>any special competences possessed by the member,</li> <li>whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or</li> </ul>		<p>The Foundation does not have a website. The majority of the said information is available in the Rules of Procedure, the Articles of Association and at <a href="https://datacvr.virk.dk/data/visenhed?enhedstype=virkksomhed&amp;id=40127097&amp;soeg=DHI%20Fonden&amp;type=undefined&amp;language=da">https://datacvr.virk.dk/data/visenhed?enhedstype=virkksomhed&amp;id=40127097&amp;soeg=DHI%20Fonden&amp;type=undefined&amp;language=da</a></p> <p>The remaining information is not disclosed due to the protection of personal data principles of the Foundation.</p>

## Management's Review

Recommendation	The foundation complies	The foundation does not comply and explains
associates, <ul style="list-style-type: none"> <li>whether the member has been appointed by authorities/providers of grants etc., and</li> <li>whether the member is considered independent.</li> </ul>		
2.3.5 IT IS RECOMMENDED that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully owned actual holding company.	The Foundation complies with this.	
<b>2.4 Independence</b>		
2.4.1 IT IS RECOMMENDED that an appropriate proportion of the board of directors be independent. If the board of directors (excluding employee representatives) is composed of up to four members, at least one member should be independent. If the board of directors is composed of between five and eight members, at least two members should be independent. If the board of directors is composed of nine to eleven members, at least three members should be independent, and so on.  To be considered independent, this person may not: <ul style="list-style-type: none"> <li>be or within the past three years have been member of the executive board, or senior employee in the foundation, or a subsidiary or associated company to the foundation,</li> <li>within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in</li> </ul>	The Foundation complies with this.	

## Management's Review

Recommendation	The foundation complies	The foundation does not comply and explains
<p>other capacity than as member of the board of directors or executive board of the foundation,</p> <ul style="list-style-type: none"> <li>within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or associated company of the foundation, </li></ul> <p>be or within the past three years have been employed or partner at the external auditor,</p> <ul style="list-style-type: none"> <li>have been a member of the board of directors or executive board of the foundation for more than 12 years,</li> <li>have close relatives with persons who are not considered as independent,</li> <li>is the founder or a significant donor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or</li> <li>a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years have received significant donations from the foundation.</li> </ul>		
<b>2.5 Appointment period</b>		
2.5.1 IT IS RECOMMENDED that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.	The election period is 3 years. Re-election is possible.	
2.5.2 IT IS RECOMMENDED that an age limit for members of the board of directors be set, which is published in the management review or on the foundation's website.		This is set out in the Rules of Procedure and it's not disclosed due to the protection of personal data principles of the Foundation.

## Management's Review

Recommendation	The foundation complies	The foundation does not comply and explains
<b>2.6 Evaluation of the performance of the board of directors and the executive board</b>		
2.6.1 IT IS RECOMMENDED that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.	This is set out in the Rules of Procedure.	
2.6.2 IT IS RECOMMENDED that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.	The Foundation has no executive board nor an administrator.	
<b>3. Remuneration of management</b>		
3.1.1 IT IS RECOMMENDED that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of a potential executive board be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.	The members is remunerated with a fixed annual fee with the possibility of additional fees for ad hoc tasks performed. No remuneration is depending on accounting results.	

## Management's Review

Recommendation	The foundation complies	The foundation does not comply and explains
3.1.2 IT IS RECOMMENDED that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associates. Furthermore, there should be information on any other remuneration which members of the board of directors, if any, have received for performing other work or tasks for the foundation, subsidiaries of the foundation or enterprises in the same group as the foundation, except for the remuneration of employee representatives as employees.		The Foundation discloses the combined remuneration not on an individual basis due to the protection of personal data policies of the Foundation.

### Statement regarding the Foundation's Donation Policy and the donations for the financial year

#### *The Donation Policy of the Foundation*

The Donation Policy of the Foundation is based on the Articles of Association of the Foundation. Consequently, the Board of Directors have adopted the following Donation Policy:

The Foundation donates to and provide support for 1) competence building in Denmark, including support for participation in European and international research and development programs 2) for establishing such national and international collaborative relationships that can promote the Foundation's objectives and are compatible with the independence and non-profit nature of the Foundation 3) for disseminating results of research and technological service activities by publication in, inter alia, international journals and conferences; 4) the promotion of research, development and training activities within the Foundation's scope and purpose; 5) other non-profit or non-profit purposes as deemed fit.

The Foundation can support individuals, companies, associations or institutions. All applications are received and processed by the Foundation's Board of Directors, which ensures that these are processed in accordance with the Foundation's Donation Policy. Donations of the Foundation are regularly approved by the Board of Directors. The Board of Directors keeps a record of the persons, organizations etc. who receive grants from the Fund.

## **Management's Review**

No donations were made in 2021.

### **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 2021

	Note	2021 DKK	2020 DKK
Other external expenses		-76.500	-66.250
<b>Gross profit/loss</b>		<b>-76.500</b>	<b>-66.250</b>
Remuneration of the Board	1	-350.004	-350.004
<b>Profit/loss before financial income and expenses</b>		<b>-426.504</b>	<b>-416.254</b>
Financial income	2	5.447	0
Financial expenses	3	-90.320	-85.368
<b>Profit/loss before tax</b>		<b>-511.377</b>	<b>-501.622</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>-511.377</b>	<b>-501.622</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	-511.377	-501.622
	<b>-511.377</b>	<b>-501.622</b>

## Balance Sheet 31 December

	Note	2021 DKK	2020 DKK
<b>Assets</b>			
Investment in DHI A/S	4	298.000.000	298.000.000
<b>Fixed asset investments</b>		<b>298.000.000</b>	<b>298.000.000</b>
<b>Fixed assets</b>		<b>298.000.000</b>	<b>298.000.000</b>
Other receivables		17.875	8.750
<b>Receivables</b>		<b>17.875</b>	<b>8.750</b>
Shares		7.005.447	0
<b>Shares</b>	5	<b>7.005.447</b>	<b>0</b>
Cash at bank and in hand		1.654.309	9.243.817
<b>Currents assets</b>		<b>8.677.631</b>	<b>9.252.567</b>
<b>Assets</b>		<b>306.677.631</b>	<b>307.252.567</b>
<b>Liabilities and equity</b>			
Base capital		308.000.000	308.000.000
Retained earnings		-1.416.935	-905.558
<b>Equity</b>		<b>306.583.065</b>	<b>307.094.442</b>
Trade payables		40.000	43.750
Other payables		54.566	114.375
<b>Short-term debt</b>		<b>94.566</b>	<b>158.125</b>
<b>Debt</b>		<b>94.566</b>	<b>158.125</b>
<b>Liabilities and equity</b>		<b>306.677.631</b>	<b>307.252.567</b>
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		
Accounting Policies	8		

## Statement of Changes in Equity

	Base capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2021	308.000.000	-905.558	307.094.442
Net profit/loss for the year	0	-511.377	-511.377
<b>Equity at 31 December 2021</b>	<b>308.000.000</b>	<b>-1.416.935</b>	<b>306.583.065</b>

# Notes to the Financial Statements

	2021 DKK	2020 DKK
<b>1 Remuneration of the Board</b>		
Remuneration of the Board	350.004	350.004
	<b>350.004</b>	<b>350.004</b>
 <b>Average number of employees</b>	 <b>0</b>	 <b>0</b>
<b>2 Financial income</b>		
Exchange adjustments	5.447	0
	<b>5.447</b>	<b>0</b>
<b>3 Financial expenses</b>		
Other financial expenses	90.320	85.368
	<b>90.320</b>	<b>85.368</b>
<b>4 Investment in DHI A/S</b>		
Cost at 1 January 2021	298.000.000	298.000.000
<b>Carrying amount at 31 December 2021</b>	<b>298.000.000</b>	<b>298.000.000</b>
<b>5 Current asset investments</b>		
Marketable securities are valued at the share price on 31 December and can be specified as below:		
Shares	7.005.447	0
	<b>7.005.447</b>	<b>0</b>

Value adjustment of marketable securities of DKK 5,447 is transferred to the profit and loss account.

The fair value of all the shares can be measured using quoted market prices in an active market for identical assets and liabilities.

# Notes to the Financial Statements

## **6 Contingent assets, liabilities and other financial obligations**

### **Contingent liabilities**

The Foundation has no contingent liabilities as of 31 December 2021.

## **7 Related parties**

Other than normal remuneration for the Board of Directors, DHI Fonden did not carry out any transactions either of significant scope nor on unusual conditions, with related parties. In accordance with the Danish Financial Statements Act. §69, subs. 3, it hereby stated that all transactions with the related parties during the year have been on market conditions.

# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of DHI Fonden for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Consolidated financial statements

With reference to the Danish Financial Statements Act §111, subs. 3, number 5, DHI Fonden has not prepared consolidated financial statements. DHI A/S' consolidated financial statements can be requisitioned at DHI A/S, Agern Allé 5, 2970 Hørsholm.

### 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 Foundation, 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 Foundation, 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.

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.

### Translation policies

Danish kroner 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

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

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.

## Income Statement

### Other external expenses

Other external expenses comprise offices expenses, fees etc.

### Remuneration of the Board

Remuneration of the Board comprise wages and salaries as well as payroll expenses.

### 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.

### 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

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### 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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

### Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

### Equity

#### Financial debts

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

### 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.



# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### *Provisions relating to distributions*

In case of distributions which have been announced to the recipient and which are conditional upon one or more events taking place at the recipient, the obligation may be uncertain as to amount or time of payment. Such items are recognised in provisions relating to distributions.