



## Fonden World Climate Foundation

Toldbodgade 55, 2.  
1253 København K  
CVR No. 41243163

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 14.07.2022

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**André Schneider**

Chairman of the General Meeting

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# Entity details

## Entity

Fonden World Climate Foundation

Toldbodgade 55, 2.

1253 København K

Business Registration No.: 41243163

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Peter Damgaard Jensen

Anders Rubinstein

Jens Nielsen

Andre Schneider

## Executive Board

Jens Nielsen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Fonden World Climate Foundation for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

København, 14.07.2022

## Executive Board

**Jens Nielsen**

## Board of Directors

**Peter Damgaard Jensen**

**Anders Rubinstein**

**Jens Nielsen**

**Andre Schneider**

# Independent auditor's report

## To the shareholders of Fonden World Climate Foundation

### Opinion

We have audited the financial statements of Fonden World Climate Foundation for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical 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.

### 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 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

København, 14.07.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Christian Dalmose Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne24730

# Management commentary

## Primary activities

### Overview

The World Climate Foundation is a foundation registered in Denmark. The Foundation is engaged in developing international, not-for-profit impact platforms for large-scale collaboration between government, business, finance and civil society to help solve evolving environmental crises. Additionally, the World Climate Foundation intends to invest in ventures and corporations in the coming years that can help spearhead a change to a more sustainable world.

The Foundation's efforts are funded by donations from relevant institutions, funding through work on various public programmes and revenues from strategic partnerships and memberships. In 2021, funding came primarily from the following sources: international corporations, European philanthropic funds, and Nordic government entities. The Foundation is managed by an independent board.

### Activities

In 2021, the World Climate Foundation continued its effort to facilitate the transition to a net-zero and nature-positive economy in line with the Paris Agreement on Climate Change and the UN Sustainable Development Goals through cross-sector dialogue, inspirational partnerships and investments in climate solutions. With the Roadmap to COP26 in Glasgow, the World Climate Foundation brought together leaders from across the globe for collaborative efforts throughout the year.

On this basis, in 2021, the World Climate Foundation worked specifically with the following convenings and collaboration activities:

- **World Climate Forum:** A series of three regional conferences served as critical digital collaboration platforms, taking stock of the implementation of regional plans and targets leading up to COP26 in Glasgow at the end of the year. World Climate Forum – Europe focused on developing cross-sector collaboration to implement the European Green Deal. World Climate Forum - North America highlighted the United States' comeback to the international climate arena and fostered collaboration to implement President Biden's Build Back Better Plan. World Climate Forum – Asia provided a stocktake on the Decade of Action for the Asian region and its challenges and opportunities with a low emission development pathway.
- **World Climate Summit – The Investment COP:** Throughout the last 12 years, World Climate Summit has become the key platform for connecting markets with policies and is the leading business and investment forum alongside the annual international climate negotiations. In 2021, the biggest Summit yet took place alongside COP26 in Glasgow, convening public and private sector leaders, where the Foundation actively facilitated the provision of ambitious climate commitments and action plans from major stakeholders to reach 2030 targets and net-zero transitions.
- **World Biodiversity Summit:** The inaugural Summit was hosted in three parts, culminating in a very successful in-person and digital event alongside COP26 in Glasgow. The pioneering platform brought together public and private stakeholders, strengthened cross-sectoral collaboration, and devised actionable methods on how to create cross-sector ambition loops necessary to accelerate policy, innovation and finance for nature towards the required nature-based solutions.



In partnership with the Danish Government, Insurance and Pension Denmark, the Institutional Investors Group on Climate Change (IIGCC) and Finance Denmark, the World Climate Foundation has also been managing the following activities on behalf of the Climate Investment Coalition F.m.b.a.:

● **Climate Investment Summit:** In 2021, Climate Investment Summit mobilised leading asset owners, asset managers, developers, policymakers and civil society to accelerate investments in clean energy and climate projects in order to achieve the goals of the Paris Agreement and a green recovery through best practice models, including green infrastructure investment models, new energy technologies, enabling policy frameworks, de-risking of projects and the creation of investable projects.

● **Climate Investment Coalition:** At COP26 in Glasgow, a total collective financial commitment of USD 130 billion was made by 42 Nordic and UK pension funds, to be invested in clean energy and climate investments by 2030 and reported on annually. This landmark commitment was announced by leading pension fund CEOs and seven heads of Nordic Government and State (Sweden, Finland, Norway, Denmark, Iceland, the Faroe Islands and Greenland) and led both to considerable attention in the global climate community and to major international media exposure.

### Development in activities and finances

The World Climate Foundation's 2021 accounts show a profit of DKK 1.687,659 already in its second year of operation. We expect a continued sound financial development in the World Climate Foundation over the coming years based on a significant and growing interest in its work and impact, and where it will launch three global cross-sector networks for climate, biodiversity and biosecurity, respectively.

### Unusual circumstances affecting recognition and measurement

No unusual circumstances have been identified.

### Statutory report on foundation governance

Section 60 of the Danish Act on Commercial Foundations requires the Foundation's Executive Committee to consider the recommendations of the Committee on Foundation Governance under the Comply or Explain approach. The Executive Committee has reviewed and considered each recommendation, as stated below.

No. 1.1 It is recommended that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.

The Board of Directors has adopted guidelines for external communication, which are handled by the Chairman of the board of the Foundation.

No. 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, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.

The Board of Directors takes an annual position on the fund's overall strategy and distribution policy, including at the Board of Directors annual meeting, which is supported by the Board of Directors' rules of procedure.

No. 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 of Directors regularly monitor the fund's asset management at board meetings.

No. 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 chairman of the board organises, convenes and chairs the board meeting in accordance with the recommendations.

No. 2.2.2 It is recommended that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general 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.

Special tasks for board members are performed based on board decisions.

No. 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 needs to possess in order to best perform the tasks incumbent upon the board of directors.

The Board of Directors annually assesses and determines competence needs and evaluates the composition in relation to these.

No. 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 approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.

Selection and nomination of candidates for the Board of Directors follows an appropriate process guideline in the articles of association.

No. 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 in relation to commercial and grants experience, age and gender.

Members of the Board of Directors are appointed based on an evaluation of personal qualities competence and consideration of e.g., renewal and diversity needs.

No. 2.3.4 It is recommended that in the management commentary in the annual report and on the commercial foundation's website, if any, 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:

- the name and position of the member,
- the age and gender of the member,
- date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,
- any special competences possessed by the member,
- other managerial positions held by the member, including positions on executive boards, boards of directors

and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks,

- whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,
- whether the member has been appointed by authorities/providers of grants etc., and
- whether the member is considered independent.

The Foundation complies partly: The management commentary reports on recommended matters except for the age and gender of the member.

why: The gender and age of the board members has not been stated in order to ensure that only relevant information on board members is provided.

How: The gender of the board members can be seen from the name of the board members.

No. 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 has no subsidiaries.

No. 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,
- between five and eight members, at least two members should be independent, or
- nine to eleven members, at least three members should be independent, and so on.

To be considered independent, this person may not, for example:

- be or within the past three years have been member of the executive board, or senior employee in the foundation, or an essential subsidiary or associated company to the foundation,
- 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 other capacity than as member of the board of directors or executive board of the foundation,
- 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 to the foundation,
- be or within the past three years have been employed or partner at the external auditor,
- have been a member of the board of directors or executive board of the foundation for more than 12 years,
- be a close relative of, or in some other way be especially close to, persons who are not considered independent,
- be 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
- be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years has received significant donations from the foundation.

An appropriate proportion of the board of directors are considered independent.

No. 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 Foundation does not comply.

Why: To ensure the opportunity to continuously adjust the board's competencies.

How: Members of the board are appointed for a period of one year at a time

No. 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 commentary or on the foundation's website.

The Foundation does not comply

Why: To ensure that there is no age discrimination.

How: Members of the board are appointed by evaluation of competence and contribution.

No. 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.

In connection with the annual competence evaluation of the Board of Directors, the members competence contribution will be assessed as well as any needs for amendments in the boards composition in relation to desired results.

No. 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 CEO's work and results are assessed annually in relation to pre-defined goals and tasks according to entered agreement.

No. 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 an executive board, if any, 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 Foundation does not comply

Why: The members of the Board of Directors do not receive remuneration as it has not been necessary to pay remuneration to attract the board members.

How: It has not been necessary to pay remuneration to attract the board members.

No. 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 associated companies. Furthermore there should be information on any other remuneration which members of the board of directors and any executive board have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.

Not relevant given the answer in section 3.1.1.

### **Statutory report on distribution policy**

The foundation do not have a distribution policy yet. The distribution policy will be prepared in 2022.

### Statutory report on corporate governance

The World Climate Foundation is managed by a board of directors with four members.

The composition of the board of directors is as follows:

|                       |  |
|-----------------------|--|
| <b>Name</b>           | <b>André Schneider</b>   |
| Role                  | Chairman   |
| Occupation            | CEO of Genève Aéroport, Switzerland  |
| Joined the Board      | 7 June 2022  |
| Management Positions  | Chairman of the Innovation Board of Aviation Research Center Switzerland<br>Vice-President of the Board of Global Infrastructure Basel Foundation<br>Member of the board of Airports Council International (Europe)<br>Global Leadership Forum Advisory Member of the board of<br>The International Federation of Consulting Engineers |
| Dependent/independent | Independent  |
| Competencies          | Sustainable Development, Technology, Innovation  |

|                       |   |
|-----------------------|---|
| <b>Name</b>           | <b>Peter Damgaard Jensen</b>  |
| Role                  | Vice Chairman   |
| Occupation            | n/a   |
| Joined the Board      | 19 February 2020  |
| Management Positions  | Chairman of the board of AIP Management P/S<br>Chairman of the Climate Investment Coalition f.m.b.a.<br>Member of the board of Investeringforeningen Maj<br>Invest, Private Equity New Market III, PENM IV GB ERF and<br>Nordic Impact Bridge Aps |
| Dependent/independent | Independent   |
| Competencies          | Finance and Investments, Asset Management,<br>Environmental-Social-Governance (ESG)   |

|                       |  |
|-----------------------|--|
| <b>Name</b>           | <b>Jens Nielsen</b>  |
| Role                  | Board member   |
| Occupation            | CEO  |
| Joined the Board      | 19 February 2020   |
| Management Positions  | Member of the board of World Climate Foundation<br>CEO of World Climate Ltd.<br>Chairman of Jens Nielsen Management ApS<br>Member of the boards of Climate Planet Foundation and Art2030 |
| Dependent/independent | Dependent  |
| Competencies          | Sustainability, Economy & Markets, Public-Private Partnerships   |

|                      |   |
|----------------------|---|
| <b>Name</b>          | <b>Anders Rubinstein</b>  |
| Role                 | Board member  |
| Occupation           | CEO   |
| Joined the Board     | 19 February 2020  |
| Management Positions | CEO of ARU Invest I/S.<br>Chairman of Upfront Chromatography A/S<br>Chairman of Gleerup Leasing A/S |

|                       |  |
|-----------------------|--|
|                       | Board member of JENA Trading ApS, Refour ApS and World Climate Foundation. |
| Dependent/independent | Independent  |
| Competencies          | Legal Expert, Corporate Structuring  |

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2021

|   | Notes | 2021<br>DKK      | 2020<br>DKK      |
|---|-------|------------------|------------------|
| <b>Gross profit/loss</b>                        |       | <b>2,230,914</b> | <b>(137,394)</b> |
| Other financial income                          | 1     | 8,114            | 6,064            |
| Other financial expenses                        | 2     | (75,123)         | (13,182)         |
| <b>Profit/loss before tax</b>                   |       | <b>2,163,905</b> | <b>(144,512)</b> |
| Tax on profit/loss for the year                 | 3     | (476,246)        | 32,000           |
| <b>Profit/loss for the year</b>                 |       | <b>1,687,659</b> | <b>(112,512)</b> |
| <b>Proposed distribution of profit and loss</b> |       |                  |                  |
| Retained earnings                               |       | 1,687,659        | (112,512)        |
| <b>Proposed distribution of profit and loss</b> |       | <b>1,687,659</b> | <b>(112,512)</b> |

# Balance sheet at 31.12.2021

## Assets

|                       | Notes | 2021<br>DKK      | 2020<br>DKK      |
|-----------------------|-------|------------------|------------------|
| Trade receivables     |       | 3,184,337        | 74,422           |
| Deferred tax          |       | 0                | 32,000           |
| Other receivables     |       | 1,638,356        | 934,355          |
| <b>Receivables</b>    |       | <b>4,822,693</b> | <b>1,040,777</b> |
| <b>Cash</b>           |       | <b>1,309,878</b> | <b>887,682</b>   |
| <b>Current assets</b> |       | <b>6,132,571</b> | <b>1,928,459</b> |
| <b>Assets</b>         |       | <b>6,132,571</b> | <b>1,928,459</b> |



**Equity and liabilities**

|  | <b>Notes</b> | <b>2021<br/>DKK</b> | <b>2020<br/>DKK</b> |
|--|--------------|---------------------|---------------------|
| Contributed capital                              |              | 300,000             | 300,000             |
| Retained earnings                                |              | 1,575,147           | (112,512)           |
| <b>Equity</b>                                    |              | <b>1,875,147</b>    | <b>187,488</b>      |
| Trade payables                                   |              | 3,583,663           | 1,740,971           |
| Income tax payable                               |              | 444,246             | 0                   |
| Other payables                                   |              | 229,515             | 0                   |
| <b>Current liabilities other than provisions</b> |              | <b>4,257,424</b>    | <b>1,740,971</b>    |
| <b>Liabilities other than provisions</b>         |              | <b>4,257,424</b>    | <b>1,740,971</b>    |
| <b>Equity and liabilities</b>                    |              | <b>6,132,571</b>    | <b>1,928,459</b>    |

Contingent liabilities 4

# Statement of changes in equity for 2021

|                            | Contributed<br>capital<br>DKK | Retained<br>earnings<br>DKK | Total<br>DKK     |
|----------------------------|-------------------------------|-----------------------------|------------------|
| Equity beginning of year   | 0                             | (112,512)                   | (112,512)        |
| Contributed upon formation | 300,000                       | 0                           | 300,000          |
| Profit/loss for the year   | 0                             | 1,687,659                   | 1,687,659        |
| <b>Equity end of year</b>  | <b>300,000</b>                | <b>1,575,147</b>            | <b>1,875,147</b> |

# Notes

## 1 Other financial income

|                           | <b>2021</b>  | <b>2020</b>  |
|---------------------------|--------------|--------------|
|                           | <b>DKK</b>   | <b>DKK</b>   |
| Exchange rate adjustments | 8,114        | 6,064        |
|                           | <b>8,114</b> | <b>6,064</b> |

## 2 Other financial expenses

|                           | <b>2021</b>   | <b>2020</b>   |
|---------------------------|---------------|---------------|
|                           | <b>DKK</b>    | <b>DKK</b>    |
| Other interest expenses   | 16,893        | 499           |
| Exchange rate adjustments | 58,230        | 12,683        |
|                           | <b>75,123</b> | <b>13,182</b> |

## 3 Tax on profit/loss for the year

|                        | <b>2021</b>    | <b>2020</b>     |
|------------------------|----------------|-----------------|
|                        | <b>DKK</b>     | <b>DKK</b>      |
| Current tax            | 444,246        | 0               |
| Change in deferred tax | 32,000         | (32,000)        |
|                        | <b>476,246</b> | <b>(32,000)</b> |

## 4 Contingent liabilities

The Foundation has issued a declaration to Climate Investment Coalition f.m.b.a. with support for loans payable not less than 12 months after the date of approval of the financial statements. The equity of Climate Investment Coalition f.m.b.a. as of 31 December 2021 is negative at 1.213 t.kr.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these 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.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### 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.

### 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**

### **Receivables**

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

### **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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other financial liabilities**

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

### **Tax receivable or payable**

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