

Global Fashion Agenda (fond)


Bryghuspladsen 8, 1473 Copehagen K

CVR no. 41 62 72 39

Annual report 2021

Approved at the Company's meeting of the Board of Directors on 16 May 2022

Chair of the meeting:



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Statement by the Board of Directors

Today, the Board of Directors has discussed and approved the annual report of Global Fashion Agenda (fond) 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 of the foundation's at 31 December 2021 and of the results of the foundation's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

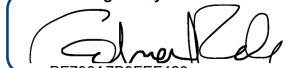
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 16 May 2022
Board of Directors:

DocuSigned by:

.....98982B574A7C4EB.....
Niels Eskildsen
Chair

DocuSigned by:

.....1027E328FA284EB.....
Thomas Carsten Alexander
Tochtermann

DocuSigned by:

.....BF793A7B95EF423.....
Cristiana Falcone

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.....BDD83C6E99F043D.....
Eva Franck-Kruse

DocuSigned by:

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Peder Michael Anker
Pruzan-Jørgensen

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Thomas Klausen

Independent auditor's report

To the board of directors of Global Fashion Agenda (fond)

Opinion

We have audited the financial statements of Global Fashion Agenda (fond) for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 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.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Foundation 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.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 the financial statements.

Independent auditor's report

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 Company'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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Independent auditor's report

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial reporting comply with the appropriations granted, legislation and other regulations and with agreements entered into and usual practice; and that due financial consideration has been taken of the management of the funds and operations of the entities covered by the financial statements. Consequently, Management is responsible for establishing systems and procedures supporting economy, productivity and efficiency.

In performing our audit of the financial statements, it is our responsibility to perform compliance audit and performance audit of selected items in accordance with public auditing standards. When conducting a compliance audit, we test the selected items to obtain reasonable assurance as to whether the transactions covered by the financial reporting comply with the relevant provisions of appropriations, legislation and other regulations as well as agreements entered into and usual practice. When conducting a performance audit, we perform assessments to obtain reasonable assurance as to whether the tested systems, processes or transactions support due financial considerations in relation to the management of the funds and operations of the entities covered by the financial statements.

We must report on any grounds for significant critical comments, should we find such when performing our work.

We have no significant critical comments to report in this connection.

Copenhagen, 16 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Information about the foundation

Name	Global Fashion Agenda (fond)
Address, Postal code, City	Bryghuspladsen 8, 1473 Copehagen K
CVR no.	41 62 72 39
Financial year	1 January - 31 December
Board of Directors	Niels Eskildsen, Chair Thomas Carsten Alexander Tochtermann Cristiana Falcone Eva Franck-Kruse Peder Michael Anker Pruzan-Jørgensen Thomas Klausen
General management	Federica Marchionni
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

Global Fashion Agenda (GFA) is a non-profit organisation that fosters industry collaboration on sustainability in fashion to accelerate impact. With the vision of a net positive fashion industry, it drives action by mobilising, inspiring, influencing and educating all stakeholders.

The organisation has been leading the movement since 2009 and is behind the renowned international forum on sustainability in fashion, Copenhagen Fashion Summit (and its digital edition CFS+) the Innovation Forum, thought leadership publications including Fashion CEO Agenda and Fashion on Climate and impact programmes including the Circular Fashion Partnership.

In partnership with its Strategic Partners, ASOS, BESTSELLER, Global Fashion Group, H&M Group, Kering, Nike, PVH Corp., Ralph Lauren Corporation and Target, and our Strategic Knowledge Partner, McKinsey & Company, Global Fashion Agenda spearheads the fashion industry's journey towards a more sustainable future. Through its work, Global Fashion Agenda reaches thousands of stakeholders including brands, innovators, NGOs, policy makers, manufacturers, investors and more.

Strategic focus and activities

The fashion industry is one of the largest, most resource-intensive industries. It is a powerful engine for global growth and development. However, the apparel and footwear industry accounted for some 2.1 billion tonnes of CO2 emissions in 2018, about 4% of the global total. Meanwhile, it employs 60+ million people along its value chain; of which 80% are women.

The past year challenged global structures, especially regarding necessary rapid environmental progress and the lack of secure social protection schemes: COVID-19 hit the industry unprecedentedly, demanding real-time actions and long-term sight. Industry players had to shift focus on job re-creation and the fair distribution of risks and profits along the value chain. In addition, long-standing systemic racism and the Black Lives Matter movement called for racial equity and dignity for marginalised and black communities. GFA is urging the industry to work towards a thriving industry that creates prosperity for all people and communities by working within planetary boundaries, reversing its impact on climate change and protecting biodiversity.

The global apparel market is projected to grow in value from 1.5 trillion USD in 2020 to about 2.25 trillion USD dollars by 2025 - yet the current business model of the fashion industry is unsustainable and needs to change to align with the Sustainable Development Goals.

We can form a thriving industry that creates prosperity for people and communities, reverses climate change and protects biodiversity. For this to happen, action is required now.

Management's review

CFS+

CFS+ - the digital edition of Copenhagen Fashion Summit - is designed to drive urgent action on sustainability. In a time when new technology is disrupting traditional business models, and upcoming legislation will increase regulation in the industry, businesses and organisations have the opportunity to re-evaluate the current growth logic and call for systemic change. Redesigning the concept of growth is one of the biggest systemic issues of our time and, as such, CFS+ seeks to challenge the traditional concepts of growth and prosperity.

Under the premise 'Prosperity vs. Growth', the digital event convened core stakeholders across fashion, interlinked industries, investment, NGOs and policy to explore how the industry can thrive today in favour of tomorrow. The 2021 theme of 'Prosperity vs. Growth' is an evolution of the 2020 focus, 'Redesigning Value', and challenged the current fashion system even further by addressing a range of adjacent topics to foster constructive tension and dialogues that drive bold action. CFS+ 2021 included: 60+ speakers, 390+ organisations, 46 solution exhibitors, 6 roundtable meetings, 90+ roundtable participants.

Impact

Fashion CEO Agenda:

In 2021, GFA unveiled the new edition of the Fashion CEO Agenda. Co-authored by our Strategic Partners, the publication presents the five priorities that businesses should focus on in order to secure prosperity for people and communities while operating within planetary boundaries. The five priorities outlined in the report are: Respectful and Secure Work Environments, Better Wage Systems, Circular Systems, Efficient Use of Resources and Smart Material Choices. To mark the launch of the publication, GFA hosted two engaging online events, and two media masterclasses, that reflected on the core priorities and also the policy opportunities associated with each of them.

Circular Fashion Partnership:

The Circular Fashion Partnership, launched with Reverse Resources, BGMEA and P4G, is a cross-sectorial project to support the development of the textile recycling industry in Bangladesh by capturing and directing post-production fashion waste back into the production of new fashion products. In addition, the partnership seeks to find solutions for the COVID-19 related pile-up of deadstock and to engage regulators and investors around the current barriers and economic opportunities in the country. In November 2021, alongside our Strategic Knowledge Partner, McKinsey & Company, GFA launched the Scaling Circularity Report - revealing the opportunities and investment required to scale circular fashion systems based on independent analysis and learnings from the Circular Fashion Partnership in Bangladesh.

Management's review

Policy & Advocacy

GFA envisions a policy framework where legislative and policy initiatives incentivise and appropriately support the fashion industry to become more sustainable. It proactively advocates for policy changes and supportive measures that reinforce sustainability targets and prompt policymakers to take informed action to foster necessary change. GFA aims to reach this goal by educating policymakers about the issues at hand and ensuring policy developments provide support to the industry's sustainability efforts.

Global Fashion Agenda made remarkable progress in policy this year through stakeholder engagement, member meetings, open events, and roundtables. It disseminated industry learnings (such as the 2020 commitment results) towards policymakers and established partnerships with key organisations such as the European Environment Agency. It was involved in key external policy events (i.e. G20 Circular Fashion event; New European Bauhaus) and created dialogue with high level policymakers. For example, GFA set up a high-level working group between fashion industry's CEOs and the EU Commissioner for the Environment, Oceans and Fisheries, Virginijus Sinkevicius. Plus, GFA endorsed key industry initiatives such as the EU Pact for Skills, contributed to the Circular Fashion Partnership's policy actions and hosted two dynamic policy roundtables as part of CFS+: one around the upcoming EU Sustainable Products Initiative and another on the international dimension of the forthcoming EU Textiles Strategy.

GFA also contributed to Policy Hub-Circularity for Apparel and Footwear activities throughout the year, supporting the formulation and publication of six position papers.

Media

Effective communication has the power to inspire change. GFA rebuilt the communications team with the aim to enhance its communications activities to improve brand recognition, increase awareness about sustainability, promote GFA's resources events, drive revenue and deliver partner objectives.

Partnerships

Strategic Partners:

GFA welcomed two new Strategic Partners - Global Fashion Group (GFG) and Ralph Lauren Corporation. Both organisations joined GFA's Strategic Partner Group to help support its ambition in spearheading the fashion industry's journey towards a more prosperous future. Sustainable Apparel Coalition and Li & Fung ended their Strategic Partnership agreements.

Associate Partners:

To strengthen the Associate partnership offering, GFA has established a dedicated team, and adjusted the fee structure - increasing the annual fee to 50K EUR.

Thanks to our supporters

The Board of Directors, management team and the employees wish to thank the Danish Business Authority, the Ministry of Business Affairs and the Ministry of Foreign Affairs and our Strategic Partners ASOS, BESTSELLER, Global Fashion Group, H&M Group, Kering, Nike, PVH Corp., Ralph Lauren Corporation and Target.

Management's review

Financial review

The income statement for 2021 shows a loss of DKK 29,436 against a profit of DKK 19,307 last year, and the foundation's balance sheet at 31 December 2021 shows equity of DKK 1,416,743. This loss was limited considering the challenges of COVID-19 continuing to adversely be impacting global commerce GFA being unable to host Copenhagen Fashion Summit.

In 2022, GFA will call on our community to push for bolder actions, accelerate the pace of change, and implement solutions. GFA will focus on creating new alliances to accelerate impact and secure new revenue streams. It will endeavour to form previously inconceivable alliances within the fashion industry and also examine atypical cross-industry alliances, in a bid to accelerate the transition to a net positive reality.

GFA will manifest the Summit's global outlook and reach and strive to implement new thought-leadership publications to measure and guide the industry. GFA will also expand its educational offering through the creation of the GFA Academy division.

Building on its significant achievements from 2021, the organisation will continue its efforts to transform and mobilise the fashion industry in 2022 and beyond.

The budget aim for 2021 was to keep the equity unchanged whilst expanding the organisation's impact and growing the quality of the team. However, this intention was significantly disrupted by COVID-19, which resulted in the cancellation of our signature event, Copenhagen Fashion Summit for a second year.

Management's review

Report on foundation governance

Foundation governance

Pursuant to section 77a of the Danish Financial Statements Act, Global Fashion Agenda (Fond) must comply with foundation governance by indicating "follow or explain the principle " recommendations. In its day-to-day work of the Board of Directors and the Executive Board, Global Fashion Agenda complies with the intentions in the principles of foundation governance. Formally, the principles are materialized in the Foundation's rules of procedure and articles of association.

Openness and communication

Statements on behalf of the Foundation to the press and other media are made by the chairman or the director, unless otherwise in the individual case is decided by the Board of Directors. When communicating with the public we must strive to meet the need for openness and the needs of stakeholders; and the opportunity to obtain relevant updated information about the fund's conditions. An account of foundation governance can be found on the website www.globalfashionagenda.com.

Tasks and responsibilities of the Board of Directors

The Board of Directors is responsible for the management of the Foundation's affairs and handles the overall and strategic management of the Foundation. The Board of Directors holds an annual financial meeting before 1 June, where a meeting is held decision on the approval of the Foundation's annual accounts and the use of profits or coverage of deficit in accordance with the approved annual accounts.

The chairman organizes and chairs the board meetings in order to ensure the effectiveness of the work of the board of directors and create the best possible conditions for the work of board members individually and collectively.

If the chairman is exceptionally requested to perform special tasks for the Foundation, this must be done by a separate decision of the Board of Directors, which shall at the same time contain measures to ensure that the board of directors retains the overall management and control function. One must be secured below sound division of labour between the chairman, the rest of the board of directors and the executive board.

The Board of Directors continuously assesses and determines which competencies it must have in order to be able to perform its tasks in the best possible way. If the Board of Directors finds that there are significant weaknesses in composition of the board of directors, the board of directors must take the initiative to change the composition.

The Board of Directors is the ultimate authority of the Foundation. The board is self-elective and constitutes itself under the articles of association. There is no gender, ethnic and age limit for the members of the board.

The Foundation follows the provisions for foundation governance, in accordance with recommendations 2.3.4 and 2.4.1, the composition of the Board of Directors is explained on the foundation's website (www.globalfashionagenda.com).

Management's review

Management remuneration

The foundation must follow the state's rules in terms of salary and employment and can, according to the Ministry of Industri, Business and Finance affairs's details provision enter into collective agreements and otherwise stipulate salary and other terms of employment employees of the foundation. The remuneration to the Board of Directors and the Executive Board is disclosed in the notes to the financial statements as a whole amount and includes any consideration received.

Report on the foundation's distribution policy and distributions in the year

The fund's distribution policy

The foundation object is to promote innovation and advocate for sustainable business models and systems to meet social and environmental challenges in the global fashion industry and related industries.

Scholarship list

No distributions have been made during the financial year.

Events after the balance sheet date

After the end of the financial year, no events have occurred that could materially affect the assessment of the company's financial position.

Outlook

A zero profit is expected for 2022 which is limited due to the ongoing COVID-19 pandemic and consequent restrictions which prevented the execution of Copenhagen Fashion Summit 2021. Should there be further waves of COVID-19, there may be extraordinary consequences for the ability of GFA to execute the 2022 Summit and the expansion of the team and partnership network, and therefore also for the budget and result for 2022.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2021 12 months	2020 5 months
	Revenue	16,303,013	7,139,476
	Production cost	-2,562,344	-4,498,591
2	Other operating income	0	9,143,966
	Expenses, property	-748,317	-412,704
	Marketing cost	-160,310	-147,907
	Other external expenses	-2,225,228	-1,797,174
	Gross profit	10,606,814	9,427,066
3	Staff costs	-10,333,993	-9,203,962
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-187,651	-107,215
	Profit before net financials	85,170	115,889
	Financial income	1,261	5,707
	Financial expenses	-95,712	-52,640
	Profit/loss before tax	-9,281	68,956
4	Tax for the year	-20,155	-49,649
	Profit/loss for the year	-29,436	19,307
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-29,436	19,307
		-29,436	19,307

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2021</u>	<u>2020</u>
	ASSETS		
	Fixed assets		
	Intangible assets		
	Goodwill	358,333	458,333
		<u>358,333</u>	<u>458,333</u>
5	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	56,671	109,459
	Leasehold improvements	0	0
		<u>56,671</u>	<u>109,459</u>
	Investments		
	Deposits, investments	269,896	268,556
		<u>269,896</u>	<u>268,556</u>
	Total fixed assets	<u>684,900</u>	<u>836,348</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	1,576,254	2,244,373
	Other receivables	318,257	603,404
	Prepayments	211,958	0
		<u>2,106,469</u>	<u>2,847,777</u>
	Cash	<u>2,815,440</u>	<u>5,933,455</u>
	Total non-fixed assets	<u>4,921,909</u>	<u>8,781,232</u>
	TOTAL ASSETS	<u><u>5,606,809</u></u>	<u><u>9,617,580</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Base capital	1,426,872	1,426,872
	Retained earnings	-10,129	19,307
	Total equity	<u>1,416,743</u>	<u>1,446,179</u>
	Provisions		
	Deferred tax	82,496	11,227
	Total provisions	<u>82,496</u>	<u>11,227</u>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Other payables	994,815	980,113
		<u>994,815</u>	<u>980,113</u>
	Current liabilities other than provisions		
	Trade payables	324,717	948,679
	Corporation tax payable	17,416	68,530
	Other payables	911,401	1,500,388
	Deferred income	1,859,221	4,662,464
		<u>3,112,755</u>	<u>7,180,061</u>
	Total liabilities other than provisions	<u>4,107,570</u>	<u>8,160,174</u>
	TOTAL EQUITY AND LIABILITIES	<u>5,606,809</u>	<u>9,617,580</u>

- 1 Accounting policies
7 Contractual obligations and contingencies, etc.
8 Collateral

Financial statements 1 January - 31 December**Statement of changes in equity**

DKK	<u>Base capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	1,426,872	19,307	1,446,179
Transfer through appropriation of loss	0	-29,436	-29,436
Equity at 31 December 2021	<u>1,426,872</u>	<u>-10,129</u>	<u>1,416,743</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Global Fashion Agenda (fond) for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The fund was established 13 August 2020 by a contribution in kind of the shares in Global Fashion Agenda A/S. At 30 December 2020 Global Fashion Agenda (fond) and Global Fashion Agenda A/S was merged, with the fund as the successor entity, with accounting effect of 13 August 2020.

For the presentation in the Fund's financial statements, the merger is treated as applicable from the establishment of the fund, showing the financial statements, as if the entities had always been one entity from the establishment of the fund.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

Basis of recognition and measurement

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals, which are due to changes in estimated amounts previously recognised in the profit and loss account, are recognised in the profit and loss account.

Income statement

Revenue

Income from public fund and the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Expenses, property

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises and bad debts.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment

The item comprises depreciation of goodwill and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill 5 years

Where individual components of an item of equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment 3 years

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years.

Property, plant and equipment

Items of equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of goodwill and equipment is assessed for impairment on an annual basis.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2021 12 months	2020 5 months	
2 Other operating income			
Wage compensation, COVID-19	0	1,019,365	
Compensation for canceled events, COVID-19	0	8,124,601	
	<u>0</u>	<u>9,143,966</u>	
3 Staff costs			
Wages/salaries	9,892,250	8,786,133	
Pensions	303,513	328,340	
Other social security costs	138,230	89,489	
	<u>10,333,993</u>	<u>9,203,962</u>	
Average number of full-time employees	<u>15</u>	<u>20</u>	
Remuneration to members of Management:			
Board of Directors	3,103,657	1,693,700	
	<u>3,103,657</u>	<u>1,693,700</u>	
Board of Directors include management.			
4 Tax for the year			
Estimated tax charge for the year	0	64,261	
Deferred tax adjustments in the year	20,155	-14,612	
	<u>20,155</u>	<u>49,649</u>	
5 Property, plant and equipment			
DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2021	485,397	119,552	604,949
Additions	34,862	0	34,862
Cost at 31 December 2021	<u>520,259</u>	<u>119,552</u>	<u>639,811</u>
Impairment losses and depreciation at 1 January 2021	375,938	119,552	495,490
Depreciation	87,650	0	87,650
Impairment losses and depreciation at 31 December 2021	<u>463,588</u>	<u>119,552</u>	<u>583,140</u>
Carrying amount at 31 December 2021	<u>56,671</u>	<u>0</u>	<u>56,671</u>
Depreciated over	<u>3 years</u>	<u>3 years</u>	

Financial statements 1 January - 31 December

Notes to the financial statements

6 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

7 Contingent liabilities

Other financial obligations

Other rent liabilities:

DKK	<u>2021</u>	<u>2020</u>
Rent liabilities	168,280	0

Rent and lease liabilities include interminable rent agreements with remaining contract terms until 31 July 2022.

8 Collateral

The fund has not provided any security or other collateral in assets at 31 December 2021.