



## A/S J. Lauritzen's Eftf., Esbjerg

Amerikavej 1  
6700 Esbjerg  
CVR No. 49625510

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 15.04.2020

---

**Mikael Hedager Würtz**  
Conductor

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	9
Balance sheet at 31.12.2019	10
Statement of changes in equity for 2019	12
Cash flow statement for 2019	13
Notes	14
Accounting policies	20

# Entity details

## Entity

A/S J. Lauritzen's Eftf., Esbjerg

Amerikavej 1

6700 Esbjerg

CVR No.: 49625510

Registered office: Esbjerg

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Kim Hedegaard Sørensen

Mikael Hedager Würtz

Kristian Svarrer

Ulf Preisler

Kasper Svarrer

Jens Peder Høg Thomsen

## Executive Board

Kristian Svarrer

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

P. O. Box 200

6701 Esbjerg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of A/S J. Lauritzen's Eftf., Esbjerg for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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.

Esbjerg, 15.04.2020

## Executive Board

**Kristian Svarrer**

## Board of Directors

**Kim Hedegaard Sørensen**

**Mikael Hedager Würtz**

**Kristian Svarrer**

**Ulf Preisler**

**Kasper Svarrer**

**Jens Peder Høg Thomsen**

# Independent auditor's report

## To the shareholders of A/S J. Lauritzen's Eftf., Esbjerg

### Opinion

We have audited the financial statements of A/S J. Lauritzen's Eftf., Esbjerg for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the 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.

Esbjerg, 15.04.2020

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Jørn Jepsen**

State Authorised Public Accountant  
Identification No (MNE) mne24824

# Management commentary

## Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
<b>Key figures</b>					
Gross profit/loss	18,362	12,371	14,704	18,565	15,659
Operating profit/loss	(438)	(7,467)	(2,860)	2,624	1,093
Net financials	(263)	85	193	25	(336)
Profit/loss for the year	277	(6,769)	1,215	2,327	2,063
Total assets	40,541	38,437	56,048	48,977	43,287
Investments in property, plant and equipment	2,100	0	255	2,360	744
Equity	8,427	7,961	14,274	14,457	13,578
<b>Ratios</b>					
Return on equity (%)	3.38	(60.89)	8.46	16.60	16.70
Equity ratio (%)	20.79	20.71	25.47	29.52	31.37

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

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets



### **Primary activities**

The Company's business is shipping and freight forwarding in Europe.

### **Development in activities and finances**

During the financial year, the company has achieved a satisfactory result.

The turnaround process, which started back in 2018, has come into effect in 2019 and the actions implemented has worked.

The organization is continuously working to improve customer experience and streamline operations. Thereby the expectations to the new IT-system, postponed from 2019, is high. The new IT-system will be implemented on May 1st 2020.

### **Profit/loss for the year in relation to expected developments**

The profit is slightly lower than expected in the budgets for 2019 and this is mostly due to the postponement of the new IT-system.

### **Outlook**

We expect a positive result for 2020 despite COVID-19.

### **Events after the balance sheet date**

The challenge of COVID-19 has, up to date, only effected the business to a lesser degree. All locations are open and ongoing, all employees are accessible and we are able to organize the daily work defensible according to the recommendations from the Danish Health Authority. There is only a minor decline in the order backlog because of COVID-19 and the cash flow effect is partly covered by the help packages from the government.

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

# Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
<b>Gross profit/loss</b>		<b>18,362</b>	<b>12,371</b>
Staff costs	2	(18,352)	(19,231)
Depreciation, amortisation and impairment losses	3	(448)	(607)
<b>Operating profit/loss</b>		<b>(438)</b>	<b>(7,467)</b>
Income from investments in group enterprises		803	(1,009)
Other financial income from group enterprises		231	270
Other financial income		59	207
Financial expenses from group enterprises		0	(147)
Other financial expenses		(553)	(245)
<b>Profit/loss before tax</b>		<b>102</b>	<b>(8,391)</b>
Tax on profit/loss for the year	4	175	1,622
<b>Profit/loss for the year</b>	5	<b>277</b>	<b>(6,769)</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK'000	2018 DKK'000
Other fixtures and fittings, tools and equipment		1,370	1,061
Property, plant and equipment in progress		1,173	0
<b>Property, plant and equipment</b>	6	<b>2,543</b>	<b>1,061</b>
Investments in group enterprises		12,955	12,802
Other investments		28	28
Deposits		127	41
<b>Other financial assets</b>	7	<b>13,110</b>	<b>12,871</b>
<b>Fixed assets</b>		<b>15,653</b>	<b>13,932</b>
Trade receivables		22,296	17,596
Contract work in progress		237	152
Receivables from group enterprises		0	2,204
Deferred tax	8	30	885
Other receivables		522	489
Joint taxation contribution receivable		1,030	819
Prepayments	9	585	419
<b>Receivables</b>		<b>24,700</b>	<b>22,564</b>
<b>Cash</b>		<b>188</b>	<b>1,941</b>
<b>Current assets</b>		<b>24,888</b>	<b>24,505</b>
<b>Assets</b>		<b>40,541</b>	<b>38,437</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK'000</b>	<b>2018 DKK'000</b>
Contributed capital		1,200	1,200
Reserve for net revaluation according to the equity method		1,931	0
Retained earnings		5,296	6,761
<b>Equity</b>		<b>8,427</b>	<b>7,961</b>
Provisions for investments in group enterprises		0	1,170
<b>Provisions</b>		<b>0</b>	<b>1,170</b>
Finance lease liabilities		612	412
Other payables		616	0
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>1,228</b>	<b>412</b>
Current portion of non-current liabilities other than provisions	11	532	392
Bank loans		2,079	3,921
Contract work in progress		675	800
Trade payables		22,754	20,766
Payables to group enterprises		2,261	0
Other payables		2,585	3,015
<b>Current liabilities other than provisions</b>		<b>30,886</b>	<b>28,894</b>
<b>Liabilities other than provisions</b>		<b>32,114</b>	<b>29,306</b>
<b>Equity and liabilities</b>		<b>40,541</b>	<b>38,437</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Related parties with controlling interest	16		
Non-arm's length related party transactions	17		
Group relations	18		

# Statement of changes in equity for 2019

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,200	0	6,761	7,961
Exchange rate adjustments	0	189	0	189
Profit/loss for the year	0	1,742	(1,465)	277
<b>Equity end of year</b>	<b>1,200</b>	<b>1,931</b>	<b>5,296</b>	<b>8,427</b>

# Cash flow statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Operating profit/loss		(438)	(7,467)
Amortisation, depreciation and impairment losses		448	607
Working capital changes	12	582	7,305
<b>Cash flow from ordinary operating activities</b>		<b>592</b>	<b>445</b>
Financial income received		290	477
Financial expenses paid		(553)	(392)
Income taxes refunded/(paid)		819	378
<b>Cash flows from operating activities</b>		<b>1,148</b>	<b>908</b>
Acquisition etc of property, plant and equipment		(2,100)	0
Sale of property, plant and equipment		170	0
Acquisition of fixed asset investments		(85)	0
Sale of fixed asset investments		0	14
<b>Cash flows from investing activities</b>		<b>(2,015)</b>	<b>14</b>
Loans raised		1,383	0
Repayments of loans etc		(427)	(391)
<b>Cash flows from financing activities</b>		<b>956</b>	<b>(391)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>89</b>	<b>531</b>
Cash and cash equivalents beginning of year		(1,980)	(2,511)
<b>Cash and cash equivalents end of year</b>		<b>(1,891)</b>	<b>(1,980)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		188	1,941
Short-term debt to banks		(2,079)	(3,921)
<b>Cash and cash equivalents end of year</b>		<b>(1,891)</b>	<b>(1,980)</b>

# Notes

## 1 Events after the balance sheet date

The challenge of COVID-19 has, up to date, only effected the business to a lesser degree. All locations are open and ongoing, all employees are accessible and we are able to organize the daily work defensible according to the recommendations from the Danish Health Authority. There is only a minor decline in the order backlog because of COVID-19 and the cash flow effect is partly covered by the help packets from the government.

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

## 2 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	16,109	16,996
Pension costs	1,137	1,254
Other social security costs	213	225
Other staff costs	893	756
	<b>18,352</b>	<b>19,231</b>
Average number of full-time employees	<b>35</b>	<b>36</b>

	<b>Remuneration of management 2019 DKK'000</b>	<b>Remuneration of management 2018 DKK'000</b>
Total amount for management categories	1,371	1,212
	<b>1,371</b>	<b>1,212</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2019</b>	<b>2018</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Depreciation of property, plant and equipment	575	607
Profit/loss from sale of intangible assets and property, plant and equipment	(127)	0
	<b>448</b>	<b>607</b>

**4 Tax on profit/loss for the year**

	<b>2019</b>	<b>2018</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Change in deferred tax	855	(803)
Refund in joint taxation arrangement	(1,030)	(819)
	<b>(175)</b>	<b>(1,622)</b>



## 5 Proposed distribution of profit and loss

	2019 DKK'000	2018 DKK'000
Retained earnings	277	(6,769)
	<b>277</b>	<b>(6,769)</b>

## 6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	5,742	0
Additions	927	1,173
Disposals	(383)	0
<b>Cost end of year</b>	<b>6,286</b>	<b>1,173</b>
Depreciation and impairment losses beginning of year	(4,681)	0
Depreciation for the year	(575)	0
Reversal regarding disposals	340	0
<b>Depreciation and impairment losses end of year</b>	<b>(4,916)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>1,370</b>	<b>1,173</b>
Recognised assets not owned by entity	1,128	

## 7 Financial assets

	Investments in group enterprises DKK'000	Other investments DKK'000	Deposits DKK'000
Cost beginning of year	11,812	28	42
Additions	0	0	85
Disposals	(788)	0	0
<b>Cost end of year</b>	<b>11,024</b>	<b>28</b>	<b>127</b>
Revaluations beginning of year	990	0	0
Exchange rate adjustments	191	0	0
Share of profit/loss for the year	(367)	0	0
Investments with negative equity value depreciated over receivables	329	0	0
Investments with negative equity value transferred to provisions	(1,170)	0	0
Reversal regarding disposals	1,958	0	0
<b>Revaluations end of year</b>	<b>1,931</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>12,955</b>	<b>28</b>	<b>127</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Global Offshore ApS, sold in 2019	Esbjerg	ApS	70,0
Lauritzen Logistica S.r.l.	Italien	S.r.l	100,0
Mermaid Maritime Vietnam JSC	Vietnam	JSC	98,0
	I		

<b>Investments in partnerships and limited partnerships</b>	<b>Registered in</b>	<b>Corporate form</b>
Esbjerg Marine Service K/S	Esbjerg	K/S

### 8 Deferred tax

	<b>2019 DKK'000</b>	<b>2018 DKK'000</b>
Property, plant and equipment	(255)	(170)
Receivables	34	54
Liabilities other than provisions	251	177
Tax losses carried forward	0	824
<b>Deferred tax</b>	<b>30</b>	<b>885</b>

<b>Changes during the year</b>	<b>2019 DKK'000</b>
Beginning of year	885
Recognised in the income statement	(855)
<b>End of year</b>	<b>30</b>

The management has per. 31.12.2019 recognized deferred tax asset of DKK 30 thousand based on budgets which support full utilization of the tax asset.

### 9 Prepayments

Prepayments consist of prepaid insurance, lease payments and licenses.

### 10 Provisions for investments in group enterprises

Provisions for investments in group enterprises is related to the negative equity in group enterprises, recognized after equity method.

### 11 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK'000	Due within 12 months 2018 DKK'000	Due after more than 12 months 2019 DKK'000	Outstanding after 5 years 2019 DKK'000
Finance lease liabilities	532	392	612	0
Other payables	0	0	616	616
	<b>532</b>	<b>392</b>	<b>1,228</b>	<b>616</b>

### 12 Changes in working capital

	2019 DKK'000	2018 DKK'000
Increase/decrease in receivables	(2,780)	19,305
Increase/decrease in trade payables etc	3,362	(12,000)
	<b>582</b>	<b>7,305</b>

### 13 Unrecognised rental and lease commitments

	2019 DKK'000	2018 DKK'000
Liabilities under rental or lease agreements until maturity in total	<b>11,903</b>	<b>15,662</b>

### 14 Contingent liabilities

	2019 DKK'000	2018 DKK'000
Recourse and non-recourse guarantee commitments	30	30
<b>Contingent liabilities</b>	<b>30</b>	<b>30</b>

The Entity participates in a Danish joint taxation arrangement where Kristian Svarrer Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements

### 15 Assets charged and collateral

The Entity has guaranteed the subsidiary bank loans.  
The subsidiary bank debt amounts to DKK'000 10,586.

### 16 Related parties with controlling interest

Kristian Svarrer, Esbjerg owns Kristian Svarrer Holding ApS, Esbjerg which owns 70% of Harbour Group Holding ApS, Esbjerg, which owns all shares in the company. Kristian Svarrer thus has a controlling influence on the company.

### **17 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

### **18 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Kristian Svarrer Holding ApS, Esbjerg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Harbour Group Holding ApS, Esbjerg

# Accounting policies

## Reporting class

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

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

## Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue and other external expenses.

### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made and risk has passed to the buyer.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### **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.

### **Staff costs**

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

### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intragroup profits or losses.

### **Other financial income from group enterprises**

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

### **Other financial income**

Other financial income comprises interest income and net capital gains on securities, payables and transactions in foreign currencies.

### **Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### **Other financial expenses**

Other financial expenses comprise interest expenses and net capital losses on payables and transactions in foreign currencies.

**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.

The Entity is jointly taxed with subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5-10 years
--	------------

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Other investments**

Other investments comprise unlisted equity investments measured at cost.

**Receivables**

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

**Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

**Deferred tax**

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

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

**Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other provisions**

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provisionis made for the total loss estimated to result from the relevant contract.



**Finance lease liabilities**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

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

**Cash flow statement**

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

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

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

Cash flows from financing activities comprise the raising of loans, inception of finance leases, repayments of interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.