

# Elster-Instromet A/S

Læsøvej 3B 9800 Hjørring, Denmark  
CVR No.76403112

*Annual Report for 1 January - 31 December 2018*

*The Annual Report was  
presented and adopted at the  
Annual General Meeting of the  
Company on 10/04/2019.*



Paschal Morris

Chairman

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## Management's Statement

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The Executive Board and Board of Directors have today considered and adopted the Annual Report of Elster-Instromet A/S for the financial year 1 January - 31 December 2018.

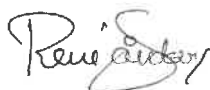
The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position. We recommend that the annual report be approved at the annual general meeting.

Hjørring, 10.04.2019

### **Executive Board**

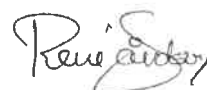


René Gårdsvig

### **Board of Directors**

Paschal Morris  
**Chairman**

Michael Pellmann



René Gårdsvig

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Hjørring, 10.04.2019

*Executive Board*

René Gårdsvig

*Board of Directors*



Paschal Morris  
*Chairman*

Michael Pellmann

René Gårdsvig

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Hjørring, 10.04.2019

### **Executive Board**

René Gårdsvig

### **Board of Directors**

Paschal Morris  
**Chairman**



Michael Pellmann

René Gårdsvig

# **Independent auditor's extended review report**

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**To the shareholder of Elster-Instromet A/S**

## **Report on extended review of the financial statements**

### **Conclusion**

We have performed an extended review of the financial statements of Elster-Instromet A/S for the financial year 01.01.2018 - 31.12.2018, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### **Basis for conclusion**

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements**

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion. An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

### **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 extended review 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 extended review 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 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.

Aalborg, 10/4/2019

**Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No. (CVR): 33963556



Lars Birner Sørensen

State Authorised Public Accountant

Identification No.: MNE11671

## Company Information

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The company	Elster-Instromet A/S Læsøvej 3B 9800 Hjørring, Denmark  Telephone: +45 9891 1055 Telefax: +45 9891 0767 Website: <a href="http://www.elster-instromet.dk">www.elster-instromet.dk</a>  CVR No.76403112 Established: 02-11-1984  Financial period: 1 January - 31 December
Board of Directors	Paschal Morris Michael Pellmann René Gárdsvig
Executive Board	René Gárdsvig
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Østre Havnepromenade 26, 4 Sal 9000 Aalborg SV
Bankers	Danske Bank A/S Holmens Kanal 2 1092 København K
Lawyers	HjulmandKaptain Frederikshavnsvej 215 9800 Hjørring



## Management's review

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### Principal activity

To manufacture and market measuring, regulating and process equipment, etc. To design and build meter— and/ or regulator stations as well as complete process solutions such as burner and engine trains. To be able to make preventive maintenance and service of equipment delivered by us in the Nordic Countries. To hold the market responsibility for the entire Elster-Instromet Group's product programme in the Nordic Countries.

### Financial review

The income statement of the Company for 2018 shows a profit of DKK 5,822 k and at 31 December 2018 the balance sheet of the Company shows equity of DKK 35,227 k.

The Operating Income for Elster-Instromet A/S was DKK 7.47m compared to DKK 9.56m for 2017. The gross profit for 2018 represents DKK 12.43m compared to DKK 14.42m for 2017 and is at expected level.

### Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Accounting Policies

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## **Basis of accounting**

Financial Statements of Elster-Instromet A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Company's Articles of Association with addition of certain provisions for reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2018 are presented in DKK.

## **Recognition and measurement**

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

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

## **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

## **Income Statement**

### **Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contract work in progress is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

### **Gross profit**

Pursuant to section 32 of the Danish Financial Statements Act, revenue is not disclosed in the annual report. Gross Profit includes net turnover, change in inventories, cost of material and other external costs.

### **Percentage of completion method (POCM)**

The company recognises contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably.

The outcome of a construction contract can be estimated reliably when: (i) the total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates. When the outcome of a construction cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

# Accounting Policies

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## **Percentage of completion method (POCM) (continued)**

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

**Contract revenue** — Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue, and they are capable of being reliably measured.

**Contract costs** — Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision); costs of materials used in construction; depreciation of equipment used on the contract; costs of design, and technical assistance that is directly related to the contract.

The company's contracts are typically negotiated for the construction of a single asset or a group of assets that are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

## **Cost of material**

Cost of material comprises cost of material of the financial year measured at costs, and adjusted for usual inventory write-downs.

## **Cost of sales**

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation and administration.

Cost of sales also includes research and development costs that do not qualify for capitalisations well as amortisation of capitalised development costs. Finally, provisions for losses on contract work are recognised.

## **Other external expenses**

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

## **Staff costs**

Staff costs comprise wages and salaries as well as related costs.

## **Depreciation/amortisation and impairment losses**

Depreciation, amortisation and impairment losses comprise depreciation for the year on property, plant and equipment, amortisation of intangible assets and impairment losses.

## **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Financial income and financial expenses comprise interest, financial expenses on finance leases, realised and unrealised exchange rate adjustments as well as value adjustment of securities.

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

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

The Company is jointly taxed with the Danish subsidiaries in the Honeywell group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

# Accounting Policies

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## Balance Sheet

### Non-current assets

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised specifically to finance the manufacture of property, plant and equipment are recognised in cost over the manufacturing period. All indirectly attributable borrowing costs are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment            3-10 Years

Assets costing less than DKK 12,600 are expensed in the year of acquisition.

#### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

#### Write-down of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

If this is the case, an impairment test is made in order to determine whether the recoverable amount is lower than the carrying amount, and a write-down is made to this lower value.

The recoverable amount for the asset concerned is made up as the higher of the net selling price and the net present value. If it is not possible to determine the recoverable amount for individual assets, the assets are assessed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

Assets for which no separate value in use can be determinable, as the asset does not in itself generate any future cash flows, are subject to review for impairment together with the group of assets to which they belong.

### Current assets

#### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Exchange rate adjustments of long-term loans to group enterprises are taken to equity, as these loans are considered "equity" loans.

# Accounting Policies

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## **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments and payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

## **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## **Equity and liability**

### **Dividend**

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### **Other financial liabilities**

Other financial liabilities are recognised at cost at the time of contracting the debt. Subsequently, it is stated at amortised cost, which in respect of short-term and non-interest Bearing debt and in respect of floating-rate loans usually corresponds to nominal value.

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

### **Corporation tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

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

### **Operating lease agreements**

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

## Accounting Policies

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### **Rectification of information of previous financial period**

The company has adjusted the comparative figures 2017:

1. Liability of DKK -443k in 2017 is reclassified from "Contract work in progress" to "Prepayments received from customers".
2. Inventories are increased by 345k Dkk and Contract work in progress are reduced with same amount 345k Dkk. The adjustment has no effect at Income Statement.

# Income Statement

for the year ended 31 December 2018

	Notes	2018 DKK	2017 DKK
<b>Gross profit</b>		<b>12 434 275</b>	<b>14 423 040</b>
Staff expenses	1	-4 896 770	-4 788 122
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	2	-70 610	-76 562
<b>Operating profit</b>		<b>7 466 895</b>	<b>9 558 356</b>
Financial Income	3	0	484
Financial Expenses	4	-328	-49 851
<b>Profit before tax</b>		<b>7 466 567</b>	<b>9 508 989</b>
Tax benefit/(expense) for the year	5	-1 644 607	-2 071 463
<b>Profit for the year</b>		<b>5 821 960</b>	<b>7 437 526</b>
Distribution of profit		0	0
Proposed distribution of profit		0	0
<b>Retained earnings</b>		<b>5 821 960</b>	<b>7 437 526</b>

# Balance Sheet

at 31 December 2018

	Notes	2018 DKK	2017 DKK
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Plant & Machinery	2	264 749	335 359
Other fixtures and fittings, tools and equipment	2	0	0
		<b>264 749</b>	<b>335 359</b>
<b>Total non-current assets</b>		<b>264 749</b>	<b>335 359</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		2 958 661	2 600 492
		<b>2 958 661</b>	<b>2 600 492</b>
<b>Receivables</b>			
Trade receivables		3 692 987	8 347 964
Receivables from subsidiaries		34 668 884	23 052 273
Contract work in progress	6	1 030 742	3 025 277
Other receivables		88 824	76 677
Prepayments		0	49 017
<b>Total receivables</b>		<b>39 481 437</b>	<b>34 551 208</b>
<b>Total current assets</b>		<b>42 440 098</b>	<b>37 151 700</b>
<b>TOTAL ASSETS</b>		<b>42 704 847</b>	<b>37 487 059</b>



# Balance Sheet

at 31 December 2018

	Notes	<u>2018</u>	<u>2017</u>
		DKK	DKK
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		900 000	900 000
Retained earnings		34 326 608	28 504 648
		<b>35 226 608</b>	<b>29 404 648</b>
<b>Provisions</b>			
Provision for deferred tax		1 652	308 237
Warranty Provision		113 100	137 106
		<b>114 752</b>	<b>445 343</b>
<b>Current liabilities</b>			
Prepayments received from customers		0	443 248
Trade payables		1 229 558	1 686 510
Payables to group enterprises		853 892	2 072 408
Corporation tax		1 951 192	1 810 252
Other payables	7	3 328 845	1 624 650
<b>Total current liabilities</b>		<b>7 363 487</b>	<b>7 637 068</b>
<b>Total liabilities</b>		<b>7 478 239</b>	<b>8 082 411</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42 704 847</b>	<b>37 487 059</b>
Contingent assets, liabilities and other financial obligations	8		
Related parties and ownership	9		

# Statement of Changes in Equity

at 31 December 2018

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	DKK	DKK	DKK
Equity at 1 January 2018	900 000	28 504 648	29 404 648
Net profit for the year	0	5 821 960	5 821 960
<b>Equity at 31 December 2018</b>	<b>900 000</b>	<b>34 326 608</b>	<b>35 226 608</b>

	<b>Number</b>	<b>Nominal Value</b>
		DKK
Shares at DKK 300,000	3	900 000
		<b>900 000</b>

There have been no changes in the share capital during the last 5 years.

# Notes to the annual report

at 31 December 2018

<b>1 Staff expenses</b>	<b>2018</b>	<b>2017</b>	
	DKK	DKK	
Wages and salaries	3 770 404	3 660 792	
Pensions	756 001	591 292	
Other social security expenses	352 353	513 678	
Other staff costs	18 012	22 360	
	<b>4 896 770</b>	<b>4 788 122</b>	
 Average number of employees	 9	 9	
 <b>2 Property, Plant and Equipment</b>			
	<b>Plant &amp; Machinery</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Total</b>
	<i>DKK</i>	<i>DKK</i>	<i>DKK</i>
Cost at 1 January 2018	1 610 986	226 938	1 837 924
Cost at 31 December 2018	1 610 986	226 938	1 837 924
Depreciations and impairment losses at 1 January 2018	1 275 627	226 938	1 502 565
Depreciation for the year	70 610	0	70 610
Depreciations and impairment losses	1 346 237	226 938	1 573 175
<b>Carrying amount at 31 December 2018</b>	<b>264 749</b>	<b>0</b>	<b>264 749</b>
 <b>3 Finance income</b>	<b>2018</b>	<b>2017</b>	
	DKK	DKK	
Other financial income	0	484	
<b>Total</b>	<b>0</b>	<b>484</b>	
 <b>4 Finance expenses</b>	<b>2018</b>	<b>2017</b>	
	DKK	DKK	
Other financial expenses	328	49 851	
<b>Total</b>	<b>328</b>	<b>49 851</b>	
 <b>5 Tax on profit / loss for the year</b>	<b>2018</b>	<b>2017</b>	
	DKK	DKK	
Current tax for the year	1 951 192	1 810 252	
Deferred tax for the year	-302 427	291 625	
Current tax, prior year adjustment	0	-16 497	
Deferred tax, prior year adjustment	-4 158	-13 917	
<b>Total</b>	<b>1 644 607</b>	<b>2 071 463</b>	

# Notes to the annual report

at 31 December 2018

6 Contract Work In progress	2018	2017
	DKK	DKK
Selling price of production for the period	1 030 742	4 943 287
Payments received on account	0	-1 918 010
	<u>1 030 742</u>	<u>3 025 277</u>
<b>Recognised in the balance sheet as follows-</b>		
Contract work in progress recognised in assets	1 030 742	4 943 287
Prepayments received from customers	0	-1 918 010
	<u>1 030 742</u>	<u>3 025 277</u>
7 Other payables	2018	2017
	DKK	DKK
VAT and customs	2 025 399	272 848
Social payroll expenses	19 243	19 187
Computed holiday pay	983 554	996 269
Other Items	300 649	336 346
	<u>3 328 845</u>	<u>1 624 650</u>

## 8 Contingent assets, liabilities and other financial obligations

a) The Company has entered into a rental agreement, which covers the period until December 31, 2018, and can then be cancelled at 6 months notice. The present yearly obligation for this rental agreement amounts to DKK 317,382, and the grand total obligation amounts to DKK 158,691.

b) The Company has entered into lease contracts for operating equipment. The contracts covers the period until September 2018, and the total obligation amounts to DKK 0.

c) The company has entered into Automobiles leasing agreement until December 31, 2020 for DKK 101,470.

The Company is jointly taxed with all other Danish companies in the Honeywell group. As a consolidated entity, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the jointly taxed companies.

## 9 Related parties and ownership

### Transactions

The direct and the ultimate Parent Companies, which prepare consolidated financial statements including the Company, are Elster GmbH, Steinern Strasse 19, D-55252 Mainz-Kastel, Germany, and Honeywell, Morristown, New Jersey, USA respectively. The Company's related parties are Elster GmbH, Steinern Strasse 19, D-55252 Mainz-Kastel, Germany, in Germany and Honeywell, Morristown, New Jersey, USA. All transactions between the related parties are based on arms-length term.

### Consolidated Financial Statements

The consolidated financial statements of these companies can be obtained at the following addresses:  
Elster GmbH, Steinern Strasse 19, D-55252 Mainz-Kastel, Germany, Honeywell International, 101 Columbia Rd, PO Box 4000, Morristown, NJ 08962, USA

### Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital. Elster GmbH, Steinern Strasse 19, D-55252 Mainz-Kastel, Germany.