Carrier Refrigeration Denmark A/S

Industrivej 21, 8260 Viby J

CVR No. 83 69 37 11

Annual Report for 2017/18

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 21/9-2019

Chairman

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Carrier Refrigeration Denmark A/S for the financial year 1 December 2017 - 30 November 2018.

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

In our opinion the Annual Report gives a true and fair view of the financial position as of 30 November 2018, and the results of operations and cash flows of the Company for 2017/18.

The management review contains in our opinion a true account of the matters dealt with in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Viby, 29/4 2019

Executive Board

Søren Steen Thomsen

Supervisory Board

Ernst Günter Von Storck *Chairman*	Daniel Schmedding	Søren Steen Thomsen

Independent Auditor's Report

To the Shareholders of Carrier Refrigeration Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 November 2018 and of the results of the Company operations and cash flows for the financial year 1 December 2017 - 30 November 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Carrier Refrigeration Denmark A/S for the financial year 1 December 2017 – 30 November 2018, which comprise income statement, balance sheet, statement of cash flows and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material 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 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 judgment 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 Company'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 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.

Aarhus, 29/4 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerskab
Cvr. nr. 33 77 12 31

Michael Nielsson

Michael Nielsson
State Authorized Public Accountant
mne15151

Company Information

The Company	Carrier Refrigeration Denmark A/S Industrivej 21 DK-8260 Viby J
	Telephone +45 8655 0255 E-mail: info@carrier-ref.dk Website: www.carrier.dk
	CVR No.: 83 69 37 11
	Financial period: 1 December - 30 November
	Municipality of reg. office: Aarhus
Shareholder	The share capital, DKK 1.000,000, is 100% owned by Carrier Transicold Scandinavia A/S, Industrivej 30, DK-6330 Padborg.
Ultimate parent company	United Technologies Corporation, One Financial Plaza, Hartford, Connecticut 06103, USA.
	The consolidated financial report, of which the Company is part, can be obtained on inquiry to the above company or on the website www.utc.com.
Supervisory Board	Ernst Gunter Von Starck, Chairman Daniel Schmedding Søren Steen Thomsen
Executive Board	Søren Steen Thomsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Company Information

Lawyer	Plesner Amerika Plads 37 DK-2100 København Ø
Bankers	Nordea Bank DK A/S Østjylland Erhvervsafdeling Rådhustorvet 13-19 DK-8700 Horsens

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	1/12 2017 - 30/11 2018	1/12 2016 - 30/11 2017	1/12 2015 - 30/11 2016	1/12 2014 - 30/11 2015	1/12 2013 - 30/11 2014
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Key figures					
Profit/loss					
Profit/loss before financial income and expenses	1 307	3 739	1 325	5 938	2 485
Financial income and expenses	- 248	- 283	- 123	- 156	- 205
Profit/loss before tax	1 059	3 456	1 202	5 782	2 280
Net profit/loss for the year	821	2 696	902	4 434	1 120
Balance sheet					
Balance sheet total	78 531	61 569	60 308	81 449	69 546
Equity	16 559	15 737	13 041	12 139	-9 295
Cash flows					
Cash flows					
Cash flows from:					
- operating activities	-8 068	9 747	14 033	14 071	-5 180
- investing activities	- 135	- 76	- 273	-5 788	1 210
- including investment in intangible assets	0	0	0	-5 349	0
property, plant and equipment	- 186	- 76	- 223	- 230	1 210
- financing activities	10 856	-4 480	-18 253	3 153	1 463
Change in cash and cash equivalents for the year	2 654	5 191	-4 493	11 436	-2 507
Number of employees	**58**	**59**	**53**	**55**	**48**
Ratios					
Return on assets	1,7%	6,1%	2,2%	7,3%	3,6%
Solvency ratio	21,1%	25,6%	21,6%	14,9%	-13,4%
Return on equity	5,1%	18,7%	7,2%	311,8%	0,0%

For definitions, see under accounting policies.

Review

Main activities

The Company's main activities are sale and installation of refrigeration cabinets and systems to the Danish market. In addition the Company provides service on cabinets and systems delivered by the Company.

Carrier Refrigeration Denmark A/S is part of the worldwide group United Technologies Corporation (UTC) whose refrigeration division is known under the brand name Carrier.

Development in the year

Profit/Loss for the year

During the period 1 December 2016 - 30 November 2017 gross profit amounted to DKK 26.293k and during the period 1 December 2017 - 30 November 2018 decreased to DKK 25.645k.

The result for the financial year 2017/18 is in line with the expectations as at the publication of last year's financial report.

Profit before tax decreased from DKK 3.456k in 2016/17 to 1.059k in 2017/18.

Net profit after tax DKK 821k.

Management considers the result for the year satisfactory.

Special risks

The Company is not exposed to special risks apart from those which are normal within the industry.

Expectations for the coming year

Management expects similar activities and a positive result for 2018/19.

Subsequent events

No events have occurred after the balance sheet date that have a material impact on the assessment of the financial statements.

Accounting policies

Basis of Preparation

The Annual Report of Carrier Refrigeration Denmark A/S for the period 1 December 2017 - 30 November 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to middle size enterprises of reporting class C.

The Annual Report for 2017/18 is in DKK.

The accounting policies applied remain unchanged from previous years.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

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 are 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 the income statement.

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

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and 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 current tax is calculated using the current tax percentage of 22%.

The current tax receivable is recognised in the balance sheet as a receivable if too much has been paid, but current tax liabilities are recognised as short-term liabilities if they have not been paid.

Deferred tax is recognised in the balance sheet as the tax of temporary differences. The deferred tax is calculated using the tax rate which, based on the tax legislation at year end, is valid at the date when it is expected to be realised.

Deferred tax assets are recognised at the value at which they are expected to be realised.

The Company is jointly taxed with the parent company Carrier Transicold Scandinavia A/S and the Danish affiliated companies hereof.

The tax effect of the joint taxation is allocated to each company in proportion to its taxable income (full allocation).

Income Statement

Gross profit

Gross profit is made up of revenue and other operating income less cost of sales.

Revenue

Revenue from the sale of goods and service is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year end.

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

Ongoing work in progress is recognized as the completion whereby revenue equals the selling price of the work performed (Production Method). This method applies when the total income and expenses of the contract and 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.

Cost of sales

Production costs include the costs incurred to obtain revenue for the year. This includes salaries, depreciation and amortization of tangible fixed assets and other direct costs.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation on property, plant and equipment, etc.

Administrative expenses

Administrative expenses include costs for management, administrative staff, office expenses, amortization of intangible and tangible fixed assets etc.

Financial income and expenses

Financial income and expenses comprise interest and realised and unrealised exchange adjustments.

Balance Sheet

Goodwill

Acquired goodwill is measured at cost less accumulated depreciation and amortization. The depreciation, which is stated as cost less impairment distributed linearly over the estimated useful life determined on the basis of management experience within the individual business areas. Depreciation over a period exceeding 5 years occurs when the acquisition time of an expected earnings-related effects beyond.

Trademarks and similar rights are measured at cost less accumulated depreciation and recoverable amount if this is lower.

Trademarks and similar rights are amortized over the remaining patent term or a shorter economic life.

Equipment

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. Interest is not recognised.

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	3-5 years

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

Depreciation is recognised in the income statement under cost of sales, distribution expenses and administrative expenses, respectively.

Profit and loss in connection with current replacement of property, plant and equipment is recognised under other operating income/other operating expenses.

Impairment of fixed assets

The carrying amounts of intangibles, 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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis.

Inventories

Inventories are measure at the lower of cost under FIFO method and the 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.

The cost of goods for resale and consumables equals landed cost.

Obsolete goods are written down.

Work in progress

Larger work in progress is measured by the value of the work performed calculated on the basis of completion. Completion is calculated as the proportion of costs incurred in relation to expected total cost of the project. When it is probable that the total of the cost of the project will exceed total revenues on a project, the expected loss in income.

When the selling price cannot be reliably measured sales value for the costs incurred or a lower.

Progress billings are deducted from the value of sales. The individual projects are classified as receivables when the net value is positive and as liabilities when the advance payments exceed the selling price.

Cost of sales work and contracts are recognized in the income statement as they are incurred.

Other work in progress is measured at cost. Cost comprises direct materials and wages. 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.

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.

Prepayments

Prepayments comprise of prepaid expenses concerning insurance, subscriptions etc.

Provisions

Other provisions include warranty obligations in respect of repair work within the warranty period of as much as 2 years and for specific customers 5 years. In addition, the company allocates specific known cases. Provisions are measured and recognised based on experience with guarantee work.

Debts

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

Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Accounting policies

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" less bank debts.

The cash flow statement cannot be immediately derived from the published financial records.

Explanation of financial ratios

Return on assets = $\dfrac{\textit{Profit before financials x 100}}{\textit{Total assets}}$

Solvency ratio = $\dfrac{\textit{Equity at year end x 100}}{\textit{Total assets}}$

Return on equity = $\dfrac{\textit{Net profit for the year x 100}}{\textit{Average equity}}$

Income Statement 1 December - 30 November

	Note	2017/18	2016/17
		DKK	DKK
Gross profit/loss	6	**25 645 007**	**26 292 825**
Distribution expenses	6	-13 230 989	-12 035 732
Administrative expenses	6	-11 111 531	-10 517 667
Other operating income		5 000	0
Profit/loss before financial income and expenses		**1 307 487**	**3 739 426**
Financial income		0	461
Financial expenses	2	-248 446	-283 423
Profit/loss before tax		**1 059 041**	**3 456 464**
Tax	3	- 237 646	- 760 007
Net profit/loss for the year		**821 395**	**2 696 457**

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	0
Retained earnings	821 395	2 696 457
	821 395	**2 696 457**

Balance Sheet 30 November

Assets

	Note	2018	2017
		DKK	DKK
Trademarks and similar rights		767 812	1 382 062
Goodwill		4 594 126	6 201 228
Intangible assets	4	**5 361 938**	**7 583 290**
Other fixtures and fittings, tools and equipment		228 182	208 093
Property, plant and equipment	5	**228 182**	**208 093**
Deposits		598 320	649 519
Financial assets	7	**598 320**	**649 519**
Fixed assets		**6 188 440**	**8 440 902**
Inventories (goods for resale)		**4 523 530**	**4 567 318**
Trade receivables		34 052 368	24 666 393
Ongoing work in progress		19 620 471	12 466 642
Receivables from group enterprises		751 491	641 437
Other receivables		693	18 760
Prepayments	8	300 875	327 037
Receivables		**54 725 898**	**38 120 269**
Cash at bank and in hand		**13 093 532**	**10 440 130**
Current assets		**72 342 960**	**53 127 717**
Assets		**78 531 400**	**61 568 619**

Balance Sheet 30 November

Liabilities and equity

	Note	2018	2017
		DKK	DKK
Share capital		1 000 000	1 000 000
Retained earnings		15 558 694	14 737 299
Equity		**16 558 694**	**15 737 299**
Deferred tax	3	984 821	1 108 823
Other provisions		4 183 308	2 788 124
Provisions		**5 168 129**	**3 896 947**
Prepayments received from customers		1 576 586	553 126
Trade payables		11 851 717	9 198 891
Payables to group enterprises		19 311 673	6 455 227
Loan with group enterprises		12 000 000	14 000 000
Corporation tax	3	361 648	941 341
Other payables		11 332 951	10 051 633
Deferred income	9	370 003	734 154
Short-term debt		**56 804 577**	**41 934 373**
Debt		**56 804 577**	**41 934 373**
Liabilities and equity		**78 531 400**	**61 568 619**

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Statement of changes in the Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 December	1 000 000	14 737 299	15 737 299
Net profit/loss for the year	0	821 395	821 395
Egenkapital 30. november *Equity at 30 November*	**1 000 000**	**15 558 694**	**16 558 694**

The share capital consists of 4.000 shares of a nominal value of DKK 250. No shares carry any special rights.

The share capital has been increased with 500,000 DKK on 8 July 2015.

Cash Flow Statement

	Note	2017/18	2016/17
		DKK '000	DKK '000
Net profit/loss for the year before financial income and expenses		1 307	3 739
Amortisation and depreciation	6	2 387	2 468
Change in inventories		44	943
Change in receivables incl. contract work		-16 606	597
Change in provisions, trade payables and other payables		5 989	2 058
Cash flows from operating activities before financial income and expenses		**-6 879**	**9 805**
Financial expenses		-248	-283
Cash flows from ordinary activities		**-7 127**	**9 522**
Corporation tax paid / received		- 941	225
Cash flows from operating activities		**-8 068**	**9 747**
Purchase of property, plant and equipment		- 186	- 76
Deposits		51	0
Cash flows from investing activities		**- 135**	**- 76**
Change in payables to group enterprises		10 856	-4 480
Cash flows from financing activities		**10 856**	**-4 480**
Change in cash and cash equivalents		**2 654**	**5 191**
Cash at 1 December		10 440	5 249
Cash 30 November		**13 094**	**10 440**
Cash are specified as follows:			
Cash at bank and in hand		13 094	10 440
Cash at 30 November		**13.094**	**10.440**

Notes to the Annual Report

		2017/18	2016/17
		DKK	DKK
1	**Staff**		
	Wages and salaries	39 989 601	38 449 439
	Pensions	2 754 889	2 813 037
	Other social security expenses	385 856	419 843
		43 130 346	**41 682 319**
	Wages and salaries, pensions and other social security expenses are recognised in the following items:		
	Cost of sales	29 082 793	29 323 373
	Distribution expenses	6 827 196	5 618 349
	Administrative expenses	7 220 357	6 740 597
		43 130 346	**41 682 319**
	Average number of employees	**58**	**59**
2	**Financial expenses**		
	Interest paid to group enterprises	182 266	233 132
	Other financial expenses	66 179	50 291
		248 446	**283 423**

3 **Tax**

	Corporation tax	Provision for deferred tax	Tax according to income statement
Provision 1 December	941 341	1 108 823	0
Tax paid to parent company relating to 2016/17	- 941 341	0	0
Tax on profit/loss for the year	361 648	- 124 002	237 646
	361 648	**984 821**	**237 646**

Notes to the Annual Report

4 Intangible assets

	Trademarks and similar rights	Goodwill
	DKK	DKK
Cost at 1 December	7 897 500	26 076 085
Cost at 30 November	7 897 500	26 076 085
Impairment losses at 1 December	0	8 008 000
Impairment losses at 30 November	0	8 008 000
Amortisation at 1 December	6 515 438	11 866 857
Amortisation for the year	614 250	1 607 102
Amortisation at 30 November	7 129 688	13 473 959
Carrying amount at 30 November	**767 812**	**4 594 126**

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 December	1 235 959
Additions for the year	185 893
Disposals for the year	- 426 650
Cost at 30 November	995 202
Impairment losses and depreciation at 1 December	1 027 866
Depreciation for the year	165 804
Disposals depreciations for the year	- 426 650
Impairment losses and depreciation at 30 November	767 020
Carrying amount at 30 November	**228 182**

Notes to the Annual Report

		2017/18	2016/17
		DKK	DKK
6	**Depreciation and amortization intangible and tangible fixed assets**		
	Depreciation and amortization of intangible and tangible fixed assets is expensed under the following headings:		
	Consumption of goods (gross profit/loss)	146 604	173 016
	Distribution expenses	0	14 625
	Administrative expenses	2 240 554	2 278 856
		2 387 158	**2 466 497**
7	**Financial assets**		
	Cost at 1 December	649.519	649.519
	Additions for the year	390.820	0
	Disposals for the year	-442.019	0
	Cost at 30 November	**598 320**	**649 519**
	Carrying amount at 30 November	**598 320**	**649 519**

8 **Prepayments**

Prepayments comprise of prepaid expenses concerning insurance, subscriptions etc.

9 **Deferred income**

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the Annual Report

10 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations amount to DKK 4.139 k of which DKK 1.705 k is due within 1 year.

The company has one signed lease which are non-callable until July 31 2026 and another signed lease which are non-callable until January 1 2020. The total rent obligation is DKK 6.448 k of which DKK 1.202 k is payable in 2018/19.

The company has issued guarantees in relation to completed projects of DKK 3,137 k.

Joint taxation

The group companies are jointly and severally liable for tax on the jointly taxed income of the group. Moreover, the group companies are jointly and severally liable for withholding taxes by way of dividend tax, royalty tax and tax on unearned income. Any later corrections to company tax or income tax can result in an increase of the companies liable.

Notes to the Annual Report

11 Related parties and ownership

	Basis
Controlling interest	
Carrier Transicold Scandinavia A/S, Industrivej 30, DK-6330 Padborg	Controlling shareholder
United Technologies Holding SA, Paris, France	Parent company of Carrier Transicold Scandinavia A/S
United Technologies Corporation, One Financial Plaza, Hartford, Connecticut 06103, USA	Ultimate parent company
Other related parties	
Ernst Gunter Von Starck Oddelená 2398/9, 169 00 Praha 6, Czech	Chairman of the Supervisory Board
Daniel Schmedding Heckenrosenphal 1, 50858 Köln, Germany	Member of the Supervisory Board
Søren Steen Thomsen P.S. Krøyers Vej 17 8270 Højbjerg, Denmark	Member of the Executive and Supervisory Boards

Transactions

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions.Transactions have been made at market conditions.