



Annual Report for

Bodycote Varmebehandling A/S

16261513

Annual Report was approved at
the Annual General Meeting
23. June 2025

Benjamin Philip Fidler
Chairman

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Submission information

Report

Information on type of submitted report

Årsrapport

Entity

Identification number [CVR]

16261513

Name

Bodycote Varmebehandling A/S

Registered office

/ Registered office: Ejby

Address , street name

Industribuen

Address , street building identifier

16-18

Address , post code identifier

5592

Address , district name

Ejby

Auditor

1

Identification number

mne34166

First name and surname

Claus Damhave

Identification number [CVR] of audit firm

33771231

Name of audit firm

PricewaterhouseCoopers Statsautoriseret

Revisionspartnerselskab

Description

State Authorized Public Accountant

2

Identification number

mne50641

First name and surname

Camilla Blegholm Hansen

Identification number [CVR] of audit firm

33771231

Name of audit firm

PricewaterhouseCoopers Statsautoriseret

Revisionspartnerselskab

Description

State Authorized Public Accountant

Executive board

First name and surname of member (1)

Nils Mikael Fällström

Supervisory board

First name and surname of member (1)

Benjamin Philip Fidler

Title of member (1)

chairman

First name and surname of member (2)

Michael Harkcom

First name and surname of member (3)

Petr Jelinek

First name and surname of member (4)

Jonas Andersen

First name and surname of member (5)

Flemming Kristensen

Information on enterprise submitting report

Identification number [CVR] of submitting enterprise

16261513

Name of submitting enterprise

Bodycote Varmebehandling A/S

Address of submitting enterprise, street and

Industribuen 16-18

number
Address of submitting enterprise, post code
and district name

5592 Ejby

Other informations

Information on type of submitted report
Reporting period start date
Reporting period end date
Preceding reporting period start date
Preceding reporting period end date
Date of general meeting or date of approval on
annual report meeting
First name and surname of chairman of general
meeting or person, who acts as chairman
Class of reporting entity
Type of auditor assistance
Tool for preparing the XBRL-instance document

Årsrapport
2024-01-01
2024-12-31
2023-01-01
2023-12-31
2025-06-23

Benjamin Philip Fidler

Regnskabsklasse C, mellemstor virksomhed
Revisionspåtegning
xWizard version 1.1.1379.0, by EasyX Aps.
www.easyx.eu
DKK

Currency:

interne

Statement by the Executive Board and Board of Directors on the annual report

Statement by executive and supervisory boards

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for Bodycote Varmebehandling

A/S.

Confirmation that annual report is presented in accordance with requirements provided for by legislation, any standards and requirements provided by articles of association or by agreement

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

Confirmation that financial statement gives true and fair view of assets, liabilities, equity, financial position and results

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position

as at 31.12.24 and of the results of the company's activities for the financial year 01.01.24 - 31.12.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

Recommendation for approval of annual report by general meeting

The annual report is submitted for adoption by the general meeting.

Date of approval of annual report

Ejby, 23. June 2025

Executive board

Nils Mikael Fällström

Supervisory board

Benjamin Philip Fidler
chairman

Michael Harkcom

Petr Jelinek

Jonas Andersen

Flemming Kristensen

Internal

Auditor's reports

The independent auditor's reports (Audit)

Independent auditor's report

Addressee of auditor's report on audited financial statements

To the shareholders of Bodycote Varmebehandling A/S

Opinion on audited financial statements (audit)

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December

2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance

with the Danish Financial Statements Act.

We have audited the Financial Statements of Bodycote Varmebehandling A/S for the financial year 1 January - 31

December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a

summary of significant accounting policies ("financial statements").

Type of opinion on audited financial statements (Audit)

Konklusion

Basis for conclusion (Audit)

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' International Code of Ethics for Professional

Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other

ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our opinion.

Type of basis for opinion on audited financial statements (audit)

Grundlag for konklusion

Statement on management's review [Auditor's report on audited financial statements]

Statement on the 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 Financial 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 Statements Act. We did not identify

any material misstatement in Management's Review.

Statement of executive and supervisory board's responsibility for financial statements (Audit)

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.

Statement of auditor's responsibility for the audit of the financial statements (Audit)

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 skepticism 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.

Odense

23. June 2025

Claus Damhave	Camilla Blegholm Hansen
State Authorized Public Accountant	State Authorized Public Accountant
mne34166	mne50641
PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
33771231	33771231

Intern

Management's review

Management's review

Management's review

Description of significant activities of entity

Primary activities

The company's activities relate to heat and surface treatment of steel and metal.

Description of development in activities and financial affairs

Development in activities and financial affairs

The income statement for the period 01.01.24 -31.12.24 shows a profit of DKK 19,122,220 against DKK 42,103,287 for the

period 01.01.23 -31.12.23. The balance sheet shows equity of DKK 43,997,828.

The results and financial development of the Company is considered satisfactory despite being lower than budget. In 2024

as in 2023 we could see a more stable energy market versus 2022 but the general economic environment is still affected

by the Ukraine war. The high inflation rate impacted consumable prices which also had an impact on the years' result.

Description of significant events occurring after end of reporting period

Events after the balance sheet date

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

Description of expected development

Outlook

The company expects a flat profit development for 2025 in comparison to 2024.

A more stable energy market along with reduced rates of inflation should ensure some minor volume growth from our

major customers in 2025, although the future impact from the ongoing Ukraine war remains uncertain. The company has

well established systems in place to cover any cost inflation.

Expectations are for profits of DKK 18m for the year ending 2025.

Description of impact on external environment and measures of preventing, reducing or mitigating damage

External environment

The company is focussed on impacts on the external environment and is certified under ISO 14001. It is also focussed on

improving energy efficiency/reduction as well as overall reduced CO2 emissions. During the year under

review, the company has worked on energy/CO2 reduction projects and successfully reduced CO2 emissions. Internal HS initiatives are continuously a focus area and several improvement projects have been conducted during the year. The company has signed up voluntarily to the SBTi programme where it has set itself meaningful science based targets to work towards the 'Well Below 2 degrees' mantra.

Information on calculation of key figures and financial ratios

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows

Return on equity	Profit/loss for the year x 100 / Average equity for the current year and prior year
Return on assets	Profit before Financial income x 100 / Total assets

Commentary

Description of key figures and financial ratios

Financial highlights for the Group

31 December

Key figures

Description of key figures and financial ratios

x1000	Current year	Previous year	2 years ago	3 years ago	4 years ago
Return on equity	3500,0%	6300,0%	3800,0%	4200,0%	1200,0%
Gross profit (loss)	58.873	84.963	64.242	67.513	60.177
Profit (loss) from ordinary operating activities	21.901	53.917	28.109	29.779	12.052
Profit (loss)	19.122	42.103	21.907	23.207	9.645
Assets	60.889	84.689	87.859	71.466	84.893
Investment in property, plant and equipment	4.852	7.593	3.915	20.610	4.065
Equity	43.998	64.876	69.172	47.265	64.058
Average number of employees	45	49	57	61	61

Details on other key figures and financial ratios

Profit/loss from net financials (x1000)	1.925	445	-32	-87	67
Index (x1000)	2.879	664	-48	-129	100
Return on assets	36,0%	64,0%	32,0%	42,0%	14,0%

Income Statement 1. January 2024 - 31. December 2024

	Note	01-01-2024 31-12-2024 DKK	01-01-2023 31-12-2023 DKK
Gross			
Gross profit (loss)		58.872.882	84.922.414
Operations			
Employee expense	1	-29.758.506	-28.087.092
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-6.208.687	-2.850.482
Other operating expenses		-1.005.078	-68.288
Profit (loss) from ordinary operating activities		21.900.611	53.916.552
Ordinary			
Income from investments in group enterprises		0	0
Other finance income	2	2.024.150	591.036
Other finance expenses		-98.590	-145.885
Profit (loss) from ordinary activities before tax		23.826.171	54.361.703
Tax expense	3	-4.703.951	-12.258.416
Profit (loss)	4	19.122.220	42.103.287

Balance

Assets

	Note	31-12-2024 DKK	31-12-2023 DKK
Assets...			
Non-current assets...			
Acquired licences		105.459	123.213
Intangible assets	5	105.459	123.213
Property, plant and equipment...			
Land and buildings		11.811.483	12.303.130
Plant and machinery		24.933.869	26.363.601
Prepayments for property, plant and equipment		2.116.007	1.511.476
Property, plant and equipment i alt:	6	38.861.359	40.178.207
Non-current assets i alt:		38.966.818	40.301.420
Current assets...			
Raw materials and consumables		2.735.597	306.564
Inventories		2.735.597	306.564
Receivables...			
Short-term trade receivables		12.561.662	14.339.957
Short-term receivables from group enterprises		4.477.258	27.636.632
Other short-term receivables		602.870	588.139
Deferred income assets		990.389	1.026.452
Receivables i alt:	7	18.632.179	43.591.180
Cash and cash equivalents		554.812	490.100
Current assets i alt:		21.922.588	44.387.844
Assets i alt:		60.889.406	84.689.264

Liabilities

	Note	31-12-2024 DKK	31-12-2023 DKK
Liabilities and equity...			
Equity...			
Contributed capital	8	13.000.000	13.000.000
Retained earnings		15.997.828	11.875.608
Proposed dividend recognised in equity		15.000.000	40.000.000
Equity i alt:		43.997.828	64.875.608
Provisions...			
Provisions for deferred tax	9	2.165.815	2.487.940
Other provisions	10	367.157	367.157
Liabilities other than provisions...			
Short-term trade payables		2.125.202	0
Short-term payables to group enterprises		816.174	1.133.943
Short-term tax payables		2.486.340	8.888.629
Other payables including tax payables, liabilities other than provisions (short-term)		8.930.889	6.935.987
Long-term liabilities		2.532.972	2.855.097
Short-term liabilities other than provisions		14.358.605	16.958.559
Liabilities and equity i alt:		60.889.406	84.689.264
Disclosure of contingent liabilities	11		
Disclosure of related parties	12		

Statement of changes in equity

Statement of changes in equity				
Statement of changes in equity				
DKK	Share Capital	Profit and loss account	Dividend proposed for the year	Total equity
Balance at 01.01.24	13000000	11875608	40000000	64875608
Net profit for the year	0	4122220	15000000	19122220
Dividend distribution	0	0	-40000000	-40000000
Balance at 31.12.24	13000000	15997828	15000000	43997828

Intel

Notes

Note 1

Disclosure of employee expense

Notes to the Financial Statements			
1 Staff costs			
		2024	2023
		DKK	DKK
Wages and salaries		26130420	24405079
Pensions		2697535	2468003
Other social security costs		164241	169738
Other staff costs		766310	1044272
		29758506	28087092
Average number of full-time employees		45	49
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.			

Note 2

Disclosure of other finance income

2 Financial income			
		2024	2023
		DKK	DKK

Interest income from other group subsidiaries	1701971	591036
Interest Income from Tax Authority	319979	0
Other interest income	2200	0
	2024150	591036

Note 3

Disclosure of tax expenses

3 Tax on profit for the year		
	2024	2023
	DKK	DKK
Current tax charge for the year	5070340	11699402
Adjustment of deferred tax for the year	101009	559015
Adjustment of tax in respect of previous years	-467398	0
	4703951	12258417

Note 4

Profit (loss)

	2024-12-31	2023-12-31
	DKK	DKK
Proposed dividend recognised in equity	15,000,000	40,000,000
Transferred to (from) retained earnings	4,122,220	2,103,287

Disclosure of the managements proposed distribution of profit (loss)

Disclosure of the managements proposed distribution of profit (loss)

Proposed appropriation account		
	2024	2023
	DKK	DKK
Recommended appropriation of profit		

Note 5

Disclosure of intangible assets

5 Intangible assets	
DKK	Software
Cost at 01.01.24	130166
Cost at 31.12.24	130166
Amortisation and impairment losses at 01.01.24	6953
Charge for the year	17754
Amortisation and impairment losses at 31.12.24	24707
Carrying amount at 31.12.24	105459

Note 6

Disclosure of property, plant and equipment

6 Property, plant and equipment					
DKK	Land and	Plant and	Other fixtures and fittings, tools and	Prepayments for property plant and	

	buildings	machinery	equipment	equipment	Total
Cost at 01.01.24	26891416	110121968	9812508	1511472	148337364
Additions	210309	4037226	0	604534	4852069
Disposals	0	-7480053	-9812508	0	-17292561
Cost at 31.12.24	27101725	106679141	0	2116006	135896872
Depreciation/Impairment losses at					
01.01.24	14588282	83758367	9812508	0	108159157
Depreciation	701959	5425704	0	0	6127663
Disposals	0	-7438799	-9812508	0	-17251307
Depreciation/impairment losses at					
31.12.24	15290241	81745272	0	0	97035513
Carrying amount at 31.12.23	11811484	24933869	0	2116006	38861359

Note 7

Explanation of deferred income

7 Prepayments			
		2024	2023
		DKK	DKK
Prepaid rent		0	10716
Prepaid insurance premiums		258413	578315
Other prepayments		731976	437421
		990389	1026452

Note 8

Disclosure of contributed capital

8 Share capital			
		2024	2023
		DKK	DKK
The share capital comprises			
Share capital		13000000	13000000
		13000000	13000000
The share capital has been fully paid in at the balance sheet date.			

Note 9

Disclosure of deferred tax assets and liabilities

9 Deferred tax			
		2024	2023
		DKK	DKK
Deferred tax at 01.01.24		2487940	1928925
Deferred tax recognised in the income statement		101009	559015
Adjustment for prior year		-423134	0
Deferred tax at 31.12.24		2165815	2487940

Note 10

Disclosure of other provisions

10 Other provisions			
			2024
			Warranty provision
			DKK
Provisions at 31.12.23 and 31.12.2024			367157

Note 11

Disclosure of contingent liabilities

11 Contractual obligations and contingencies, etc.	
Operating lease commitments	
The company has concluded lease agreements with terms to maturity of 33 months and total lease payments of DKK	
1,043,709. Of this, DKK 665,037 is due within 1 year.	

Note 12

Disclosure of related parties

12 Related parties	
Controlling influence	Basis of influence
Bodycote International Ltd	Immediate Parent company
Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.	
The company is included in the Group Annual report of the Parent Company of the largest and smallest group	
Name	

	Bodycote plc
	Place of registered office
	Springwood Court, Springwood Close, Tytherington Business Park, Macclesfield, Cheshire, UK SK10 2XF, England.
	Remuneration for management is specified in note 1. Staff costs.

Note 13

Disclosure of accounting policies

Accounting policies
The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) for medium-sized enterprises in reporting class C.
The accounting policies have been applied consistently with previous years.

Class of reporting entity

Regnskabsklasse C, mellemstor virksomhed

Description of general matters related to recognition, measurement and changes in accounting policies

Basis of recognition and measurement
Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.
On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

Accounting policies applied to balance sheet items

13.2 Balance sheet

Description of methods of recognition and measurement basis of intangible assets

Goodwill		0
Buildings	50	0
Plant and machinery	5-20	0
Other plant, fixtures and fittings, tools and equipment	2-5	0
Land is not depreciated.		
The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.		
Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.		

Description of methods of recognition and measurement basis of property, plant and equipment

(a) Property, plant and equipment
Property, plant and equipment comprise land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment.
Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.
Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use.
Interest on loans arranged to finance production is not included in the cost.
The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.
Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.
Prepayments for property, plant and equipment
Prepayments for property, plant and equipment comprise prepayments to suppliers.
Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Description of methods of recognition and measurement basis of leases

Leases

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

Description of methods of recognition and measurement basis of inventories

(b) Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the

selling price.

Description of methods of recognition and measurement basis of receivables

(c) Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Description of methods of recognition and measurement basis of deferred income assets

(d) Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Description of methods of recognition and measurement basis of cash and cash equivalents

(e) Cash

Cash includes deposits in bank account

Description of methods of recognition and measurement basis of provisions

(g) Provisions

Other provisions comprise expected expenses incidental to warranty commitments, restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company.

Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Warranty commitments comprise the obligation to repair defective work within the warranty period of 1-5 years. Warranty commitments are measured at net realisable value and recognised based on previous years' experience with warranty work.

Description of methods of recognition and measurement basis of liabilities other than provisions

(i) Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are

subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Description of methods of current tax receivables and liabilities

(h) Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income.

In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Description of methods of recognition and measurement basis of deferred income liabilities

(j) Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

Description of methods of recognition and measurement basis for foreign currency translation

Currency

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item.

Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement.

Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

Description of methods of recognition and measurement basis of equity

(f) Equity

The proposed dividend for the financial year is recognised as a separate item in equity

Accounting policies applied to income statement items

13.1 Income statement

Description of methods of recognition and measurement basis of revenue

(b) Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Description of methods of recognition and measurement basis of gross profit (loss)

(a) Gross profit

Gross profit comprises revenue, other operating income, property costs and raw materials and consumables and other external expenses.

Description of methods of recognition and measurement basis of gains external expenses

(f) Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal writedowns.

Description of methods of recognition and measurement basis of property costs

(e) Property costs

Property costs comprise costs relating to property management, including repair and maintenance costs, real property taxes, insurance, overhead costs and other costs.

Description of methods of recognition and measurement basis of other operating income and expenses

(c) Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

(d) Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

(i) Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Description of methods of recognition and measurement basis of finance income and expenses

(j) Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials

Description of methods of recognition and measurement basis of tax expense

(k) Tax for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

Description of methods of recognition and measurement basis of employee expense

(g) Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Description of methods of impairment losses and depreciation

(h) Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values

	Useful lives, years	Residual value (DKK)

Description of methods of recognition and measurement basis for cash flows statement

13.3 Cash flow statement

Explanation of not disclosing cash flows statements

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared as the enterprise is included in the consolidated cash flow statement.

Detaljerede note elementer**Average number of employees****Øvrige noter****Average number of employees**