
CP Hotel A/S

Ørestads Boulevard 114-118, DK-2300 Copenhagen S

Annual Report for 2024

CVR No. 30 54 80 43

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 19/6 2025

Jacob Kjær
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	9
Balance sheet 31 December	10
Statement of changes in equity	12
Notes to the Financial Statements	13

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CP Hotel A/S for the financial year 1 January - 31 December 2024.

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 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 16 May 2025

Executive Board

Malene Friis Mortensen
CEO

Board of Directors

Christian Folden Lund
Chairman

Jacob Kjær

Casper Brorsen

Independent Auditor's report

To the shareholder of CP Hotel A/S

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 CP Hotel 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 ("the 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' 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.

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 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.

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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Hellerup, 16 May 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen
State Authorised Public Accountant
mne18651

Claus Carlsson
State Authorised Public Accountant
mne29461

Company information

The Company	CP Hotel A/S Ørestads Boulevard 114-118 DK-2300 Copenhagen S CVR No: 30 54 80 43 Financial period: 1 January - 31 December Incorporated: 31 May 2007 Municipality of reg. office: Copenhagen
Board of Directors	Christian Folden Lund, chairman Jacob Kjær Casper Brorsen
Executive Board	Malene Friis Mortensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	157,603	162,782	146,496	70,769	55,439
Gross profit	62,484	58,236	68,247	40,519	21,816
Profit/loss of financial income and expenses	336	296	-231	-309	25,699
Net profit/loss for the year	336	-3,989	6,399	-1,910	3,338
Balance sheet					
Balance sheet total	46,103	47,605	48,285	37,399	37,655
Equity	20,171	19,835	23,824	17,723	19,633
Number of employees	98	115	111	79	100
Ratios					
Gross margin	39.6%	35.8%	46.6%	57.3%	39.4%
Solvency ratio	43.8%	41.7%	49.3%	47.4%	52.1%
Return on equity	1.7%	-18.3%	30.8%	-10.2%	20.0%

Management's review

Key activities

The company's core activity is hosting moments that matter through hotel and hospitality operations at Crowne Plaza Copenhagen Towers. Whether for leisure or business travel, we are committed to the power of bringing people together. Our mission is to leave a lasting positive impression on every guest, ensuring their experience is both memorable and impactful.

Development in the year

Strengthening Our Position in a Stabilizing Market

2024 has been a year of strategic optimization and preparation for future growth at CP Hotel A/S, as we continue to enhance the guest experience and operational efficiency at Crowne Plaza Copenhagen Towers. With the Copenhagen hotel market stabilizing, reaching a better equilibrium between supply and demand, our focus has been on improving hotel offerings, elevating service quality, and strengthening leadership to position ourselves for a high-paced 2025.

A Year of Transformation at Crowne Plaza Copenhagen Towers

The year was marked by important developments in both hotel operations and leadership, as we reinforced our commitment to sustainability, innovation, and guest satisfaction.

In late 2024, we welcomed a new General Manager at Crowne Plaza Copenhagen Towers. Under new leadership, the hotel is reinforcing its commitment to sustainability and innovation in guest experiences. The focus remains on ensuring it remains a top choice for business and leisure travelers by enhancing operations with forward-thinking initiatives and a strong emphasis on responsible hospitality.

Financial result for the year

The income statement of the company for 2024 shows a profit of TDKK 336, and as of 31 December 2024, the balance sheet reflects a positive equity of TDKK 20,171.

Outlook: Positioning for Growth in 2025

With strong leadership, ongoing sustainability efforts, and a stabilizing market, 2024 has set the foundation for future success at CP Hotel A/S. As we look ahead to 2025, we expect continued growth, particularly with an increase in business travelers and international congress guests, driven by major events and Denmark's EU Presidency in 2025.

By focusing on service excellence, sustainability leadership, and operational efficiency, Crowne Plaza Copenhagen Towers is well-positioned to thrive in an increasingly competitive market, delivering exceptional guest experiences and driving long-term value for Bellagroup.

Responsible Hospitality

Sustainability as a Core Commitment

At CP Hotel A/S, responsible hospitality is a fundamental part of how we operate. As part of parent company Bellagroup, we recognize that sustainability and exceptional guest experiences must go hand in hand. With Crowne Plaza Copenhagen Towers at the forefront of green innovation, we remain committed to driving positive environmental and social impact while maintaining a world-class hospitality standard.

Our approach is built on transparency, action, and accountability. We continue to strengthen our ESG reporting framework in alignment with the Corporate Sustainability Reporting Directive (CSRD), ensuring that our sustainability efforts are measurable, data-driven, and continuously improved. However, our focus goes beyond compliance—real progress comes from implementing tangible initiatives that reduce our footprint and inspire industry-wide change.

In 2024, we advanced several key sustainability initiatives aimed at enhancing energy efficiency, reducing emissions, and fostering a more responsible hospitality culture. Our ongoing commitment to renewable energy and resource optimization ensures that Crowne Plaza Copenhagen Towers remains a leader in sustainable hotel operations.

Management's review

Responsible Hospitality Progress in 2024

Throughout 2024, CP Hotel A/S continued its sustainability-driven improvements, particularly at Crowne Plaza Copenhagen Towers, reinforcing its position as one of Denmark's most environmentally conscious hotels. We focused on energy efficiency, responsible resource management, and strengthening our governance structures to further align with science-based targets.

At the operational level, we made significant progress in reducing Scope 1 and 2 energy consumption, expanding renewable energy utilization, and optimizing waste management systems to further minimize our climate footprint. Additionally, we implemented new employee training programs, ensuring that sustainability principles are integrated at all levels of hotel operations.

The full Responsible Hospitality Report 2024 for parent company Bellagroup, summarizing all ESG initiatives, partnerships, and progress, is available at [\[insert link\]](#).

2024 ESG Milestones for CP Hotel A/S

Environment & Climate

- Definition and submission of Science-Based Targets (SBTi) for CP Hotel A/S.
- Increased renewable energy utilization by 8.5% compared to the 2022 baseline.
- Reduced Scope 1 and 2 energy consumption by 5%, aligning with our commitment to resource efficiency.
- Reduced total waste climate footprint by 5%, supporting our goal of minimizing environmental impact.

Social

- Increased employee satisfaction, as measured through internal assessments.
- Launched a Responsible Hospitality training program, fostering a culture of sustainability across hotel operations.

Governance

- Completion of the double materiality assessment, reinforcing transparent sustainability governance.
- Obtained final ISO 14001/20121 certifications for Crowne Plaza Copenhagen Towers, ensuring compliance with global environmental and sustainable event management standards.
- Completed the B-Corp certification application for CP Hotel A/S, taking a major step toward certified responsible business operations.

Responsible Hospitality Ambitions for 2025 for CP Hotel A/S

Looking ahead to 2025, CP Hotel A/S remains dedicated to further enhancing energy efficiency, reducing carbon emissions, and strengthening ESG transparency. Our sustainability goals align with Bellagroup's broader ambitions, ensuring that Crowne Plaza Copenhagen Towers continues to set new benchmarks in sustainable hospitality.

Environment & Climate

- Reduce energy consumption per guest by 10% (2023-2026).
- Improve energy measurement accuracy and benchmarking to drive data-based sustainability strategies.
- Reduce total CO₂e emissions by 8.5% (2023-2025), reinforcing our net-zero commitment.
- Decrease waste generation by 10% (2023-2025), prioritizing resource optimization.

Social

- Increase the number of interns and apprentices by 17% (2023-2025), supporting educational and employment pathways.
- Further improve employee satisfaction, as measured by internal surveys.
- Strengthen diversity initiatives, particularly in recruitment and leadership development.

Governance

- Obtain full B-Corp certification for CP Hotel A/S, ensuring high standards in sustainability and ethical business practices. Secure official verification of Science-Based Targets (SBTi), aligning climate targets with scientific benchmarks.
- Transition to full CSRD / ESRS compliance for 2025 ESG reporting, reinforcing accountability and transparency.

Management's review

Subsequent events

After the balance sheet date, in January 2025 more precisely, CP Hotel A/S concluded its facility management agreement with the owners of Copenhagen Towers, NIAM Denmark A/S, regarding canteen operations, guest services, and maintenance for office clients in the adjacent office tower. This change was the outcome of a structured and competitive tender process, where we competed with other experienced hospitality providers.

While we correspondingly anticipate a negative impact on the 2025 financial results, we are actively working to mitigate losses by driving increased demand and strengthening business activity across other core areas of the company.

Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Revenue		157,603	162,782
Other operating income	2	5,699	279
Cost of goods sold		-27,898	-31,848
Other external expenses		-72,920	-72,977
Gross profit		62,484	58,236
Staff expenses	3	-58,623	-59,698
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-1,768	-3,932
Other operating expenses		-2,056	0
Profit/loss before financial income and expenses		37	-5,394
Financial income	4	427	437
Financial expenses	5	-91	-141
Profit/loss before tax		373	-5,098
Tax on profit/loss for the year	6	-37	1,109
Net profit/loss for the year	7	336	-3,989

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Acquired licenses		428	517
Intangible assets	8	428	517
Other fixtures and fittings, tools and equipment		4,556	5,755
Property, plant and equipment	9	4,556	5,755
Deposits		350	350
Fixed asset investments		350	350
Fixed assets		5,334	6,622
Finished goods and goods for resale		781	853
Inventories		781	853
Trade receivables		14,157	16,029
Receivables from group enterprises		227	0
Other receivables		198	166
Deferred tax asset		1,166	1,203
Corporation tax receivable from group enterprises		901	901
Prepayments		746	1,138
Receivables		17,395	19,437
Cash at bank and in hand		22,593	20,693
Current assets		40,769	40,983
Assets		46,103	47,605

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital	10	750	750
Retained earnings		19,421	19,085
Equity		20,171	19,835
Other payables		1,539	1,530
Long-term debt	11	1,539	1,530
Lease obligations		120	903
Trade payables		13,439	11,768
Payables to group enterprises		3,345	4,166
Other payables	11	6,020	6,349
Deferred income		1,469	3,054
Short-term debt		24,393	26,240
Debt		25,932	27,770
Liabilities and equity		46,103	47,605
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Accounting Policies	14		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	750	19,085	19,835
Net profit/loss for the year	0	336	336
Equity at 31 December	750	19,421	20,171

Notes to the Financial Statements

1. Subsequent events

After the balance sheet date, in January 2025 more precisely, CP Hotel A/S concluded its facility management agreement with the owners of Copenhagen Towers, NIAM Denmark A/S, regarding canteen operations, guest services, and maintenance for office clients in the adjacent office tower. This change was the outcome of a structured and competitive tender process, where we competed with other experienced hospitality providers.

While we correspondingly anticipate a negative impact on the 2025 financial results, we are actively working to mitigate losses by driving increased demand and strengthening business activity across other core areas of the company.

2. Other operating income

Insurance coverage for operating loss
Other income

	2024	2023
	TDKK	TDKK
Insurance coverage for operating loss	5,211	0
Other income	488	279
	5,699	279

3. Staff expenses

Wages and salaries
Pensions
Other social security expenses
Other staff expenses

	2024	2023
	TDKK	TDKK
Wages and salaries	54,278	52,874
Pensions	3,500	3,695
Other social security expenses	845	1,116
Other staff expenses	0	2,013
	58,623	59,698

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees

	98	115
--	----	-----

4. Financial income

Interest from group enterprises
Other financial income

	2024	2023
	TDKK	TDKK
Interest from group enterprises	93	0
Other financial income	334	437
	427	437

Notes to the Financial Statements

	2024 TDKK	2023 TDKK
5. Financial expenses		
Other financial expenses	91	141
	91	141
	2024 TDKK	2023 TDKK
6. Income tax expense		
Current tax for the year	0	-901
Deferred tax for the year	114	-208
Adjustment of deferred tax concerning previous years	-77	0
	37	-1,109
	2024 TDKK	2023 TDKK
7. Profit allocation		
Retained earnings	336	-3,989
	336	-3,989
8. Intangible fixed assets		
		Acquired licenses
		TDKK
Cost at 1 January		1,771
Cost at 31 December		1,771
Impairment losses and amortisation at 1 January		1,254
Amortisation for the year		89
Impairment losses and amortisation at 31 December		1,343
Carrying amount at 31 December		428
Amortised over		20 years

Notes to the Financial Statements

9. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	29,610
Additions for the year	536
Disposals for the year	-13,991
Cost at 31 December	16,155
Impairment losses and depreciation at 1 January	23,855
Depreciation for the year	1,679
Reversal of impairment and depreciation of sold assets	-13,935
Impairment losses and depreciation at 31 December	11,599
Carrying amount at 31 December	4,556
Amortised over	3-10 years

10. Share capital

The Company's share capital has remained TDKK 750 over the past 5 years.

2024	2023
TDKK	TDKK

11. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

After 5 years	0	0
Between 1 and 5 years	1,539	1,530
Long-term part	1,539	1,530
Other short-term payables	6,020	6,349
	7,559	7,879

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
12. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	31,129	30,714
Between 1 and 5 years	132,000	132,000
After 5 years	357,036	387,750
	520,165	550,464

Guarantee obligations

The Company is guarantor with liability for whatever amount BCHG Holding A/S, Bella Operation A/S and BCHG Properties A/S may owe Nordea Danmark, branch of Nordea Bank AB (Publ), Nordea Bank Finland OY and Nordea Kredit A/S in the future, including interest and expenses in the event of default.

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of TMC Invest 2021 ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability. Up to 2021 the Company was part of the joint taxation group of Copenhagen Skyline Holding ApS.

Notes to the Financial Statements

13. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
TMC Invest 2021 ApS, Copenhagen	Ultimate parent company
BCHG Holding A/S, Copenhagen	Intermediate parent company
Bella Operation A/S, Copenhagen	Parent company

Other related parties

Bella Operation A/S is holding 100% of the votes in the company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

The Company has had transactions related to intercompany payables, intercompany receivables and management fees.

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of BCHG Holding A/S and the ultimate parent company TMC Invest 2021 ApS.

<u>Name</u>	<u>Place of registered office</u>
TMC Invest 2021 ApS	Copenhagen
BCHG Holding A/S	Copenhagen

Notes to the Financial Statements

14. Accounting policies

The Annual Report of CP Hotel A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of BCHG Holding A/S, the Company has not prepared a cash flow statement.

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 cost 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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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; however, see the section on hedge accounting.

Notes to the Financial Statements

Income statement

Revenue

Revenue comprises income from hotel activities such as renting of rooms, conference facilities and income from restaurant activities, etc.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Other external expenses

Other external expenses comprise expenses for distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 other group entities. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Intangible assets include acquired licenses. Acquired licenses are measured at cost less accumulated amortisation and impairment losses and amortised over 20 years.

Notes to the Financial Statements

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.

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
--	------------

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 33,100 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

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 of the inventories 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 selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

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.

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial reporting years.

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 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.

Notes to the Financial Statements

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 or in equity if the deferred tax relates to items recognised in equity.

Current 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.

Deferred income

Deferred income comprises payments received of deposits relating to room bookings, which will not be recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$