



Fonden Constructive Foundation

Bartholins Allé 16
8000 Aarhus C
CVR No. 38360809

Annual report 2024

The Annual Meeting adopted the annual report
on 27.05.2025

Jean Philip De Tender
Chairman of the Meeting

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Entity details

Entity

Fonden Constructive Foundation

Bartholins Allé 16

8000 Aarhus C

Business Registration No.: 38360809

Registered office: Aarhus

Financial year: 01.01.2024 - 31.12.2024

Statutory reports on the entity's website

Statutory report on foundation governance:

<https://constructiveinstitute.org/app/uploads/2024/05/God-fondsledelse-CI-2024.pdf>

Statutory report on distribution policy: <https://constructiveinstitute.org/app/uploads/2025/05/Fonden-Constructive-Foundation-uddelingspolitik.pdf>

Board of Directors

Jean Philip De Tender, chairman of the board

Ulrik Haagerup

Alexandra Silvia Borchardt

Dawn Elizabeth Garcia

Maja Horst

Bjarne Fog Corydon

Helje Solberg

Executive Board

Ulrik Haagerup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Fonden Constructive Foundation for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the financial statements give a true and fair view of the Foundation's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Aarhus, 27.05.2025

Executive Board

Ulrik Haagerup

Board of Directors

Jean Philip De Tender
chairman of the board

Ulrik Haagerup

Alexandra Silvia Borchardt

Dawn Elizabeth Garcia

Maja Horst

Bjarne Fog Corydon

Helje Solberg

Independent auditor's report

To the shareholders of Fonden Constructive Foundation

Opinion

We have audited the financial statements of Fonden Constructive Foundation for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Foundation's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Foundation in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Foundation's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 27.05.2025

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Murat Güler

State Authorised Public Accountant

Identification No (MNE) mne46582

Management commentary

Primary activities

Purpose

The Constructive Foundation is a commercial foundation that works on a nonprofit basis to change the global news culture and re-establish news journalism as a credible source of information in democratic societies as well as helping media organizations and journalists apply constructive journalism in their daily work, by:

- Developing and providing access to a comprehensive knowledge base and establishing a code of conduct for journalistic integrity.
- Partnering with academic institutions for the creation of new knowledge and research.
- Curating exemplary journalistic practices and case studies.
- Endorsing initiatives that promote and validate the principles of constructive journalism.
- Training and nurturing ambassadors and role models in constructive journalism through an international fellowship program.

Main Activities

The principal endeavor of Constructive Foundation remains the oversight of the Constructive Institute (CI), positioned at Aarhus University yet operationally independent.

The Constructive Institute actively advocates for constructive journalism and supports media organizations in its practical implementation. Through strong collaborations with foundations, corporations, and like-minded institutions, the Institute fosters innovation in journalism and drives meaningful change in the media landscape.

Constructive Institute is actively expanding its international presence, reinforcing its commitment to becoming a truly global organization. A key milestone has been the establishment of a sister institute in Bonn, Germany, which fosters regional collaboration and knowledge exchange. Additionally, the institute has permanent activities in Nairobi, Kenya, strengthening its presence in Africa and promoting constructive journalism in emerging media landscapes. Looking ahead, CI is set to inaugurate CI Asia Pacific in 2025, marking a significant step in its global outreach.

Financial Standings 2024

The year 2024 saw sustained financial support, enabling the continuation of most of Constructive Institute's activities – including the resident fellowship program. A significant activity was the Research Explorer Program in collaboration with the Novo Nordisk Foundation CO₂ Research Center (Aarhus University). Other major contributions include:

- Trygfonden: Donation to continued support to three fellows (3.000.000 DKK)
- Novo Nordisk: Donation to continued support to three fellows (3.000.000 DKK)
- Novo Nordisk Foundation CO₂ Research Center: Support of five fellows in 5 months (2.575.000 DKK)
- Salling Fondene: Center for Constructive Media Innovation (2.248.523,23 DKK)
- Tuborgfondet: Generation News Avoidance (1.600.000 DKK)
- Trygfonden: Donation to continued support for local journalism (1.000.000 DKK)
- Industriens Fond: Donation to continued support one fellow (1.000.000 DKK)
- William Demant: Donation to continued support one fellow (666.667 DKK)

Description of material changes in activities and finances

The Constructive Foundation continues to thrive, advancing projects that align with its mission to transform global news culture and promote constructive journalism. Demand for workshops, seminars, and short-term training programs remains strong, reflecting the growing interest in constructive journalism. The institute has sustained its role as a hub for international journalists and editors seeking professional development, a trend expected to expand further. Our dedication to providing educational resources, workshops remains a priority. However, CI has not been in a position to keep up with demand for workshops. This is due to the increasing number of activities and the growing complexity within the organization, which require more dedicated resources to effectively implement projects where CI is already committed.

Furthermore, CI has made significant investments research and development projects – especially in the field of artificial intelligence. These investments are part of an ambitious strategy to increase commercial activities and generate more income.

In light of the situation described above, means that CI will end with an acceptable deficit for 2024. CI's leadership is committed to re-balancing the result for 2025.

CI continues to operate through three main activities:

1. Generating new knowledge: Through research initiatives, data collection, and the dissemination of best practices, CI has advanced in optimizing search functionalities for identifying constructive journalism and developing educational resources in collaboration with educational and research institutions to the benefit of the media industry and in preparation of our two other main activities
2. Inspiration: Our efforts to inspire include hosting conferences, seminars, keynote sessions, and workshops, alongside showcasing best practices and fostering the adoption of constructive journalism tools and methodologies
3. Role Models: The International Fellowship Program remained on level in 2024, hosting approximately 11-13 resident fellows, supported by TrygFonden, Realdania, Novo Nordisk Fonden, William Demant, Industriens Fond, and a Finnish fellow supported by Helsingin Sanomat. Every semester Constructive Institute hosts a number of shorter term fellows and in 2024 five international fellows enrolled in the Research Explorer Program.

The Foundation's turnover per 31.12.2024 is DKK 10,135,148 vs DKK 8,216,822 last year. The income statement shows a deficit of DKK 227,038 against a profit of DKK 142,844 last year. The foundation's equity is DKK 2,188,242 per 31.12.2024.

The Foundation's financial turnover as of December 31, 2024, is on par with the previous year, supported by a strong project portfolio and a well-functioning fellowship program. This continuity provides a solid foundation for future growth and the advancement of our mission. Our equity remains at a satisfactory level, ensuring financial stability and liquidity. Our equity continues to be strong, providing a stable financial foundation and ensuring sufficient liquidity.

The Foundation's management views the progress as highly satisfactory and recognizes that the goals of increasing activity levels and expanding the fellowship program have been successfully met.

The distribution of profits aligns in accordance with the foundation's purpose and goals. An allocation of DKK 6,942,196 is dedicated to research and development, DKK 1,220,318 aids in organizing conferences, seminars, and workshops, while DKK 8,149,194 supports the foundation's aim of fostering role models through the Constructive Institute Fellowship Program.

Retained earnings of negative DKK (227,038) for 2024 are deducted from the Foundation's equity. Management does not consider this result satisfactory, as a negative outcome is not aligned with the Foundation's financial ambitions. Nonetheless, the year has seen strong progress in building a substantial project portfolio and expanding the fellowship program. Despite the deficit, the Foundation maintains a positive equity and a solid liquidity position.

The Constructive Institute Foundation has decided to make changes to the accounting presentation in the income statement, as further described under applied accounting policies. The change has no effect on the annual result or equity.

Statutory report on foundation governance

The Foundation's report on foundation management can be found at our homepage.
<https://constructiveinstitute.org/app/uploads/2025/01/God-fondsledelse-CI-2025.pdf>

The foundation follows all recommendations for foundation management except no 2, which is justified by the fund's explanation:

- 2.5.2; It is recommended that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.

The foundation explains: The foundation assesses each board member's qualifications individually and does not consider age for neither qualifying nor disqualifying for membership of the board.

- 3.1.1; It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of a possible executive board be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position. The foundation explains: The foundation has decided that in the board only the chairman is paid with a remuneration.

Composition of the board in financial year 2024:

The Board

Per Westergaard Jensen

- Male, born July 5, 1952
- Member of the Board since March 1, 2017 (Chairman during the period)
- Independent member
- Former editor and CEO of a number of national, regional and local media companies
- Membership of other boards: Chairman of the board of Funen Media, Deputy Chairman of Jysk Fynske Medier, member of the Den Fynske Bladfond
- Special competencies: Strategy, top management experience, media insight

Dawn Elizabeth Garcia

- Female, born June 5, 1959
- Member of the Board since July 8, 2022
- Independent member
- Director of John S. Knight Journalism Fellowships at Stanford University
- Former reporter at San Francisco Chronicle and Editor for San Jose Mercury News
- Special competencies: Extensive Fellowship experience, senior level management experience, insights in the university sector and background as journalist

Maja Horst

- Female, born February 25, 1969
- Member of the Board since 30.08.2023
- Designated by the Aarhus University
- Dean, Faculty of Arts
- Member of other boards: Moesgaard Museum
- Special competencies: Research-, education- and innovation policy, Research communication.

Bjarne Corydon

- Male, born March 3, 1973

- Member of the Board of Directors since August 15, 2024
- Independent member of the board
- CEO and Editor in chief, Børsen, Denmark
- Special competencies: Politics and senior government experience, Journalism and senior editorial management, Strategy and leadership

Jean Philip De Tender

- Male, born February 6, 1965
- Member of the Board of Directors since March 1, 2017
- Designated by the European Broadcasting Union (EBU)
- Director Media at the EBU, the European Broadcasting Union, in Geneva, Switzerland
- Special competencies: International top management experience in the media sector in several countries, digital media, storytelling, radio and television.

Ulrik Haagerup

- Male, born March 18, 1963
- Member of the Board since March 1, 2017
- Director Constructive Institute, former news director DR and editor-in-chief.
- Independent member
- Membership of other boards: Landbrugsmedierne A/S
- Special competencies: Broad knowledge of journalism and editorial management and strategy.

Anne Karin Lagercrantz

- Female, born December 5, 1973
- Member of the Board since May 15, 2020
- Independent member
- Head (Divisionchef) of SVT News & Sport
- Special competencies: Politics, journalism and editorial management, strategy

Alexandra Borchardt

- Female, born March 19, 1966
- Member of the Board since December 13, 2020
- Independent member
- Independent media consultant and journalist, Professor for Media Transformation, University of the Arts (Berlin)
- Member: Committee for Editorial Independence, Economia (Czech Republic); Member: Council of Europe Expert Committee on Digital Technologies and Freedom of Expression (DIG-MSI, 2020/21)
- Lecturer in Digital Transformation, Journalism and Media, Leadership and Strategy

Statutory report on distribution policy

<https://constructiveinstitute.org/app/uploads/2025/05/Fonden-Constructive-Foundation-uddelingspolitik.pdf>

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue		10,135,148	8,216,822
Other operating income		16,539,875	12,982,318
Other external expenses		(4,478,908)	(3,248,411)
Gross profit/loss		22,196,115	17,950,729
Staff costs	1	(6,116,165)	(5,279,251)
Depreciation, amortisation and impairment losses		(22,519)	0
Operating profit/loss		16,057,431	12,671,478
Other financial income		42,395	14,664
Other financial expenses		(1,157)	(65)
Profit/loss before tax		16,098,669	12,686,077
Tax on profit/loss for the year	2	(14,000)	2,000
Profit/loss for the year		16,084,669	12,688,077
Proposed distribution of profit and loss:			
Provision for distributions		16,311,707	12,545,233
Retained earnings		(227,038)	142,844
Proposed distribution of profit and loss		16,084,669	12,688,077

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Acquired intangible assets		427,859	0
Intangible assets	3	427,859	0
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		0	0
Property, plant and equipment		0	0
Deferred tax		0	14,000
Financial assets		0	14,000
Fixed assets		427,859	14,000
Other receivables		752,130	2,937,244
Prepayments		260,000	1,760,170
Receivables		1,012,130	4,697,414
Cash		4,824,629	6,260,268
Current assets		5,836,759	10,957,682
Assets		6,264,618	10,971,682

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		300,000	300,000
Retained earnings		1,888,242	2,115,280
Equity		2,188,242	2,415,280
Trade payables		128,414	29,259
Other payables		653,438	745,473
Deferred income		3,294,524	7,781,670
Current liabilities other than provisions		4,076,376	8,556,402
Liabilities other than provisions		4,076,376	8,556,402
Equity and liabilities		6,264,618	10,971,682

Transactions with related parties

4

Statement of changes in equity for 2024

	Contributed capital DKK	Provision for distributions DKK	Retained earnings DKK	Total DKK
Equity beginning of year	300,000	0	2,115,280	2,415,280
Ordinary distributions	0	(16,311,707)	0	(16,311,707)
Profit/loss for the year	0	16,311,707	(227,038)	16,084,669
Equity end of year	300,000	0	1,888,242	2,188,242

Notes

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	5,650,186	4,958,051
Pension costs	404,698	288,419
Other social security costs	61,281	32,781
	6,116,165	5,279,251
Average number of full-time employees	9	8

2 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	14,000	(2,000)
	14,000	(2,000)

3 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	280,864
Additions	450,378
Cost end of year	731,242
Amortisation and impairment losses beginning of year	(280,864)
Amortisation for the year	(22,519)
Amortisation and impairment losses end of year	(303,383)
Carrying amount end of year	427,859

4 Transactions with related parties

	Management DKK
Salary	1,822,172

The Foundation's related parties consists of the Board of Directors and the CEO.
Transactions with related parties only consists of salary.

The Foundation Constructive Foundation's management consists of Board of Directors with seven members, including a Chairman of the Board, Vice Chairman of the Board and the CEO. According to the Danish Financial

Statements act § 98b section 3 number 1 the Foundation has disclosed fee for the Board of Directors together with fee to the CEO.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Changes in accounting presentation

The Constructive Institute Foundation has previously presented its non-cash distributions in the form of distributed services net in the income statement by offsetting these distributed services against the personnel costs and external costs incurred in fulfilling the foundation's distribution of services. This has been corrected in the current financial year with adjustments to comparative figures, whereby the foundation's external costs and personnel costs are recognised and presented under the respective accounting items.

At the same time, an estimate of the fair value of the distributed services is recognised under net revenue, while a corresponding amount is recognised under equity as distributions. Furthermore, a reclassification of received donations, grants, and gifts from net revenue to other operating income has been made, as these incomes do not meet the definition of net revenue. Revenue after the change consists of commercial sales added to the fair value of the distributed services. Other operating income consists of donations, grants, and gifts that the foundation has received from private funds.

The above changes have no monetary effect on either the annual result or equity and only affect accounting items within the income statement, as shown below.

	2023	change	2023 corrected
Revenue	14.873.907	-6.657.085	8.216.822
Other operating income	0	12.982.318	12.982.318
Other expenses	1.006.635	2.241.776	3.248.411
Staff cost	1.195.794	4.083.457	5.279.251

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Foundation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Foundation has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Foundation, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Distribution

Distributions includes those of the Foundation's purpose-driven activities in accordance with the statutes of the Foundation. Distributions include direct distributions to the fellowship program consisting of both distributed services and cash distributions. Additionally, distributions include other distributed services in accordance with the foundation's statutes, which include community and purpose-driven projects. An estimated assessment of the fair value of the distributed services is made, and for the distributed services where it is not possible to determine a reliable fair value, the incurred direct costs are considered the best estimate of the fair value.

Income statement

Revenue

Revenue comprises of the fair value of the distributed services according to the Foundation's statutes and commercial activities in close relation to the Foundation's statutes. An estimated assessment of the fair value of the distributed services is made, and for the distributed services where it is not possible to determine a reliable fair value, the incurred direct costs are considered the best estimate of the fair value. Revenue from distributed services is recognized in the income statement, when the management has made a binding decision about the distributions of the services. Revenue also consists of commercial income for lectures and courses in close relation to the Foundation's statutes.

Other operating income

Other operating income comprises of donations, grants, gifts, contributions to purpose-driven activities etc., which does not meet the definition of revenue. Other operating income also comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment and salary refunds.

Other external expenses

Other external expenses include expenses relating to the Foundations ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. Other external expenses also comprises write-downs of receivables recognised as current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income

Other financial expenses

Other financial expenses comprise interest expenses and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets being: 10 years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

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

	Useful life
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their

estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Distributions payable that have been adopted and communicated to the beneficiary on the balance sheet date in accordance with the object of the Foundation but that have not been paid out on the balance sheet date, are recognised in Other payables in the balance sheet.

Distributions payable that are expected to be paid out within one year of the balance sheet date are recognised as current liabilities other than provisions in the balance sheet whereas distributions payable that are expected to be paid out more than one year after the balance sheet date are recognised as non-current liabilities other than provisions in the balance sheet.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.