

# Annual Report 2009

Nord Pool Gas A/S

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## **Nord Pool Gas in brief**

Address: Nord Pool Gas A/S  
Vesterballevej 25 A  
7000 Fredericia  
Denmark

Registration no. (CVR): 31 17 07 88

Accounting year: 1 January - 31 December

Registered office: Fredericia

Auditor: PricewaterhouseCoopers  
Certified public accounting firm

## Directors' report

The board and the management have today approved the annual report 2009 for Nord Pool Gas A/S, including Directors' report, Management's statement, Accounting principles, Profit and loss account, Balance sheet, Equity and Notes.

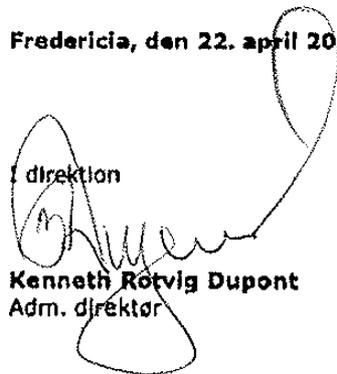
The report has been prepared in accordance with the Danish accounting legislation.

We are confident that the chosen accounting principles are appropriate, that the company's internal controlling measures - relevant for the preparation of an annual report - are adequate and consequently that the annual report presents a true and fair view of the company's assets, liabilities, and the financial position as on 31 December 2009 as well as of the company's activities for the accounting period 1 January 2009 - 31 December 2009.

We recommend the annual report including the proposed allocation of profit for approval by the general meeting on 22 April 2010.

Fredericia, den 22. april 2010

I direktion



**Kenneth Røtvig Dupont**  
Adm. direktør

I bestyrelsen



**Torben Gaston Brabo**  
Formand



**Johannes Bruun**



**Hans Randen**

# Auditor's report

## To the shareholders of Nord Pool Gas A/S

We have audited the annual report of Nord Pool Gas A/S for the accounting period 1 January 2009 – 31 December 2009 including the Directors' report, the Management's statement, Accounting principles, Profit and loss account, Balance sheet, Equity, and Notes. The annual report has been prepared in accordance with Danish accounting legislation.

### Management's responsibility for the annual report

It is the management's responsibility to prepare and present an annual report, which presents a true and fair view in accordance with the Danish accounting legislation. This responsibility implies definition, implementation, and maintenance of internal controlling measures, which are relevant to prepare and present an annual report presenting a true and fair view without essential misinfor- mation, no matter whether such misinformation is due to fraud or errors, as well as application of appropriate accounting principles and estimates, which are considered adequate.

### Auditors' responsibility and the performed auditing

It is our responsibility to draw up a conclusion on the annual report based on our auditing. We have done the auditing in accordance with Danish auditing standards. These standards imply that we comply with ethical requirements and that we plan and do the auditing in a way that secures to the extent possible that the annual report does not contain essential misinformation.

The auditing comprises actions to verify the amounts and information stated in the annual report. The auditor chooses which actions to perform considering the risk of essential misinformation in the annual report, no matter whether attributable to fraud or error. When considering this risk the auditor evaluates which internal controlling measures are relevant for the preparation and presen- tation of a true and fair annual report with the objective of defining appropriate auditing actions, however not with the objective of concluding on the efficiency of the company's internal controlling. The auditing also decides whether the accounting principles applied by the management are ap- propriate, whether the management's financial estimates are reasonable, and evaluates the overall presentation of the annual report.

We believe that the documentation is adequate and suitable to form the basis of our conclusion.

The auditing has not given rise to reservations.

### Conclusion

We believe that the annual report presents a true and fair view of the company's assets, liabilities, and financial position as on 31 December 2009 as of the result of the activities for the accounting period 1 January 2009 – 31 December 2009 in accordance with Danish accounting legislation.

Fredericia, 22 April 2010

### PricewaterhouseCoopers

Certified public accountancy firm



Thomas P. Blohm

Certified public accountant

# **Management's statement**

## **Main activity**

The main activity of the company is to organize and develop a marketplace for gas.

## **Financial result**

For 2009 the company realised a loss after taxes of DKK 1,274,609 in comparison with a loss after taxes i 2008 of DKK 2,606,418.

The result is considered satisfactory and in accordance with expectations.

## **Events after the closing og the accounting year**

No events have occurred after the closing of the accounting year that affect the financial position of the company.

# Applied accounting principles

The annual report has been prepared in accordance with the provisions of the Danish accounting legislation for Class B companies.

The annual report has been prepared in DKK.

## General accounting principles

Assets are recorded in the balance sheet, if it is assumed that future financial advantages will be accrued to the company and if it is possible to make a reliable assessment of the asset.

Liabilities are recorded in the balance sheet if they are probable and can be reliably assessed. At first assets and liabilities are assessed at cost price. Subsequently assets and liabilities are assessed as described for each individual item below.

Some financial assets and liabilities are assessed at amortized cost price applying a fixed effective interest rate over the period. Amortized cost price is the original cost price less possible instalments as well as increase/deduction of the accumulated amortization of the difference between the cost price and the nominal amount.

Profits, losses and risks, which are realised or known before the annual report is prepared, and which confirm or deny conditions that were known on the date of balance sheet, are taken into account.

Profits are recorded in the profit and loss account at the time they are realised, thereby taking valuation adjustments of financial assets and liabilities into account, assessed at the current value or at amortized cost price. Expenses that have been incurred to realise the profit for the year, e.g. depreciation, writing down and deferred liabilities as well as reversing entries due to changed estimates are likewise taken into account.

## Foreign currency

Transactions in foreign currencies are at first exchanged and recorded at the exchange rate of the transaction day. Differences between the exchange rate of the date of transaction and the date of payment are recorded in the profit and loss account under financial income and expenses.

Receivables, liabilities, and other monetary items in foreign currency, which have not been settled on the date of balance sheet are exchanged at the exchange rate of the date of balance sheet. The difference between the exchange rate of the date of balance sheet and the exchange rate of the date when the receivables or liabilities are realised or recorded in the latest annual report are recorded in the profit and loss account under financial income and expenses.

# Profit and loss account

## Gross profit

The gross profit is the sum of the following:

Net turnover comprises sale of gas and related services. The turnover is recorded in the profit and loss account provided that delivery has taken place and the risk been passed to the purchaser before the end of the year and provided that the profit can be reliably assessed and it is assumed that the profit will be realised. Profits on services are recorded on delivery of the service.

Net turnover is exclusive of taxes and VAT that are dependent on the sales amount and that are collected on behalf of a third party. Discounts are furthermore deducted.

Costs for purchase of gas and related services.

## Other external expenses

Other external expenses are costs of primary character in relation to the activities of the company.

# Applied accounting principles

## Depreciation and writing down

Depreciation and writing down include depreciation and writing down on tangible fixed assets for the year.

## Financial income and expenses

Financial income and expenses comprise interest revenues and expenses, profit/loss on securities, debts and transactions in foreign currency as well as amortization of financial assets and liabilities. Financial income and expenses are recorded at the value related to the accounting year.

## Taxes on the profit for the year

Taxes, which comprise actual taxes for the year and changes in deferred taxes, are recorded in the profit and loss account with the amount attributable to the result of the year, and directly in the equity with the share that is attributable to direct equity items. The share of the recorded tax which is attributable to the extraordinary result of the year is attributed hereto, while the remaining share is attributed to the ordinary result of the year.

# Balance sheet

## Tangible fixed assets

Tangible fixed assets are valued at cost price with provision for accumulated depreciation and writing down.

Cost price is the purchase price including costs directly related to the acquisition until the time when the asset is ready for use. For internally manufactured assets the cost price comprises direct and indirect costs for materials, components, sub-suppliers and wages. Furthermore financial costs, which can be related to the cost price, are included. Finally costs for re-establishment are recorded as a share of the cost price.

Tangible fixed assets are linearly depreciated over the expected useful lives of the asset, based on the following estimation of the useful lives:

Machinery, other systems, operational materials and furniture	3 – 10 years
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New acquisitions with an acquisition cost below DKK 25,000 are recorded in the acquisition year.

Acquisitions during the accounting year are depreciated proportionally in accordance with the time of use. Costs for large maintenance inspections are included in the acquisition cost as a separate tangible fixed asset and is depreciated over the useful lives, i.e. the period until the next inspection. On the acquisition of the tangible fixed asset the shorter useful lives of a part of the asset is taken into account, meaning that this part already at the time of acquisition is recorded as a separate asset with shorter useful lives and thereby depreciation period.

Tangible fixed assets are depreciated to the recovery value provided it is lower than the accounting value. Yearly writing down tests on each individual tangible fixed asset respectively group of assets are performed.

Prepayment of non-delivered tangible fixed assets is capitalized.

Interests and loan expenses related to loans obtained for financing pre-payment of non-delivered tangible fixed assets are recorded as a share of the acquisition cost for the tangible fixed assets.

Profit or loss accrued on sale or scrapping of a tangible fixed asset is calculated as the difference between the sales price - demounting, sales, or re-establishment costs deducted - and the accounting value at the time of sale or scrapping.

The profit or loss is recorded in the profit and loss account under other operational income or other external expenses.

# Applied accounting principles

## **Receivables**

Receivables are calculated at amortized cost price. Provisions for assumed losses are made.

## **Taxes and deferred taxes**

Current taxes payable and tax benefits are recorded in the balance sheet as calculated tax on the taxable income of the year, adjusted for tax on taxable income of previous years as well as on account tax.

Deferred tax is calculated according to the balance-oriented method of debt of all temporary differences between accounting and tax value of assets and liabilities based on the actual or assumed tax rates on the date of balance sheet. Changes in deferred tax as a result of a decrease of the company tax rate are recorded in the profit and loss account. In the event that the tax value can be assessed according to alternative tax rules deferred tax is calculated on the basis of the planned use of the asset or the termination of the obligation.

Deferred tax benefits, including the tax value of deferrable tax deficits are recorded at the value at which they are assumed utilized either through settlement of tax on future income or through set-off against deferred taxes payable.

## **Liabilities**

Other liabilities such as debts to suppliers and other debts are calculated at amortized cost price.

## **Deferred liabilities and other financial liabilities**

Deferred liabilities and other financial liabilities comprise obligations or situations on the date of balance sheet of which the accounting effect cannot be definitely made up until the outcome of one or more future events is known.

## Profit and loss account

### 1 January 2009 – 31 December 2009

Amounts in DKK	Note	2009	2008 (13 mth.)
<b>Gross profit</b>		<b>1.526.409</b>	32.280
Payroll expenses	1	-1.638.320	-1.505.124
Other external expenses		-1.735.464	-2.211.285
<b>Total</b>		<b>-3.373.784</b>	<b>-3.716.409</b>
<b>Profit before depreciation and writing down</b>		<b>-1.847.375</b>	<b>-3.684.129</b>
Depreciation and writing down on tangible fixed assets	2	-23.300	-23.300
<b>Operating profit</b>		<b>-1.870.675</b>	<b>-3.707.429</b>
Financial income		188.886	281.464
Financial expenses		-2.517	-36.207
<b>Total financial items</b>		<b>186.369</b>	<b>245.257</b>
<b>Profit before taxes</b>		<b>-1.684.306</b>	<b>-3.462.172</b>
Taxes	3	409.697	855.754
<b>Profit for the year</b>		<b>-1.274.609</b>	<b>-2.606.418</b>
<b>Proposed allocation of profit</b>			
Carried forward to next year		-1.274.609	-2.606.418
<b>Total</b>		<b>-1.274.609</b>	<b>-2.606.418</b>

## Balance sheet

Amounts in DKK	Note	2009	2008
<b>Assets</b>			
<b>Tangible fixed assets</b>			
Machinery, other systems, operational material and furniture		69.900	93.200
<b>Total tangible fixed assets</b>		<b>69.900</b>	<b>93.200</b>
<b>Financial fixed assets</b>			
Deposits		38.162	38.162
<b>Total financial assets</b>		<b>38.162</b>	<b>38.162</b>
<b>Total assets</b>		<b>108.062</b>	<b>131.362</b>
<b>Receivables</b>			
Sales		5.429.584	366.928
Associated company		65.285	103.256
Other receivables		11.230.052	700.561
Deferred tax benefit		1.265.451	855.754
<b>Total receivables</b>		<b>17.990.372</b>	<b>2.026.499</b>
<b>Liquid assets</b>		<b>1.159.565</b>	<b>6.669.625</b>
<b>Total current assets</b>		<b>19.149.937</b>	<b>8.696.124</b>
<b>Total assets</b>		<b>19.257.999</b>	<b>8.827.486</b>

## Balance sheet

Amounts in DKK	Note	2009	2008
<b>Liabilities</b>			
<b>Equity</b>			
Share capital		2.000.000	2.000.000
Profit carried forward		4.118.973	5.393.582
<b>Total Equity</b>		<b>6.118.973</b>	<b>7.393.582</b>
<b>Short term liabilities</b>			
Credit institutions		25.747	52.388
Suppliers of goods and services		0	0
Other liabilities		12.780.869	992.645
		332.410	388.871
<b>Short term liabilities</b>		<b>13.139.026</b>	<b>1.433.904</b>
<b>Total current liabilities</b>		<b>13.139.026</b>	<b>1.433.904</b>
<b>Total liabilities</b>		<b>19.257.999</b>	<b>8.827.486</b>
Contractual liabilities	4		
Deferred liabilities	5		

## Equity

Amounts in DKK	Share capital	Profit carried forward	Total
<b>Equity 1. december 2007</b>	<b>0</b>	<b>0</b>	<b>0</b>
Establishment	2.000.000	8.000.000	10.000.000
Profit for the year		-2.606.418	-2.606.418
<b>Equity 31. december 2008</b>	<b>2.000.000</b>	<b>5.393.582</b>	<b>7.393.582</b>
Profit for the year		-1.274.609	-1.274.609
<b>Equity 31. december 2009</b>	<b>2.000.000</b>	<b>4.118.973</b>	<b>6.118.973</b>

**The share capital** consists of 20,000 shares of DKK 100.

The share capital has not been changed since the establishment on 1 December 2007.

**Ownership:** On 31 December 2009 the ownership was

Energinet.dk	50%
Nord Pool Spot AS	50%

## Notes

Note	Amounts in DKK	2009	2008 (13 mth.)
1	<b>Payroll expenses</b>		
	Wages and salaries	1.412.977	1.274.351
	Pensions and other social costs	225.343	230.773
	<b>Total</b>	<b>1.638.320</b>	<b>1.505.124</b>
	Average number of staff	3	2
	Number of staff at year end	3	3
2	<b>Depreciation and writing down on tangible fixed assets</b>		
	Operational items and furniture	23.300	23.300
	<b>Total</b>	<b>23.300</b>	<b>23.300</b>
3	<b>Taxes</b>		
	Calculated tax on the profit for the year	0	0
	Change in deferred tax for the year	-409.697	-855.754
	<b>Total</b>	<b>-409.697</b>	<b>-855.754</b>
4	<b>Contractual obligations</b>		
	Rental and leasing contracts		
	Within 1 year	630.944	146.523
	1 to 5 years	40.500	127.442
	After 5 years	0	0
	<b>Total</b>	<b>671.444</b>	<b>273.965</b>
5	<b>Deferred liabilities etc.</b>		
	No known deferred liabilities or other obligations exist.		