ANNUAL REPORT

Årsrapport 2003

ANNUAL REPORT

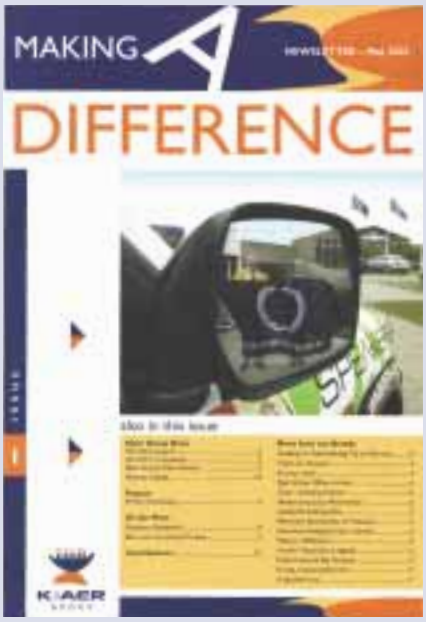
2003

love cars
love life
love people

BEST WORKPLACE IN DENMARK 2003

INVESTOR IN PEOPLE

KJAER GROUP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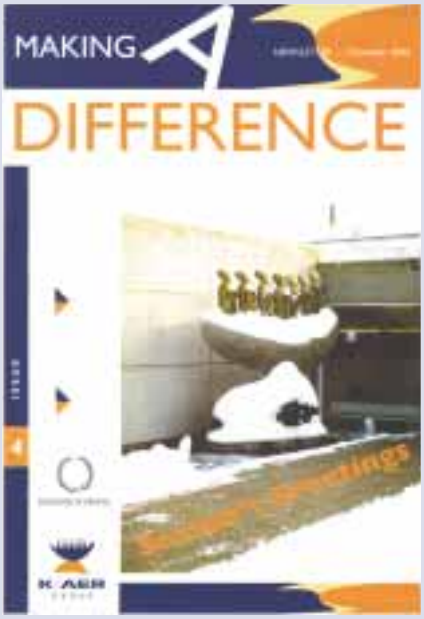
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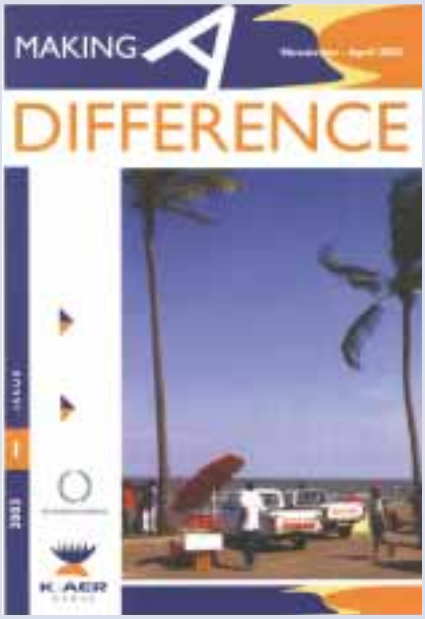
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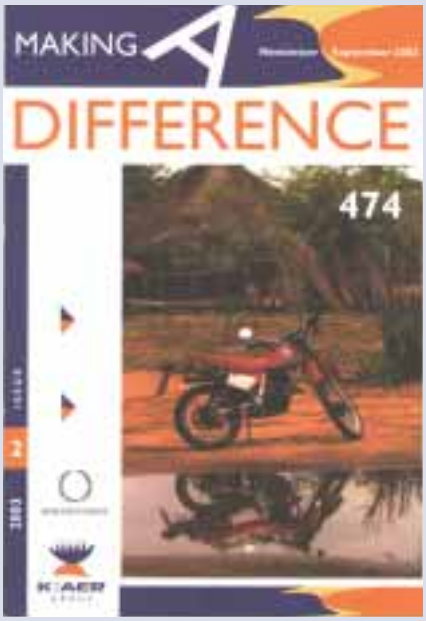
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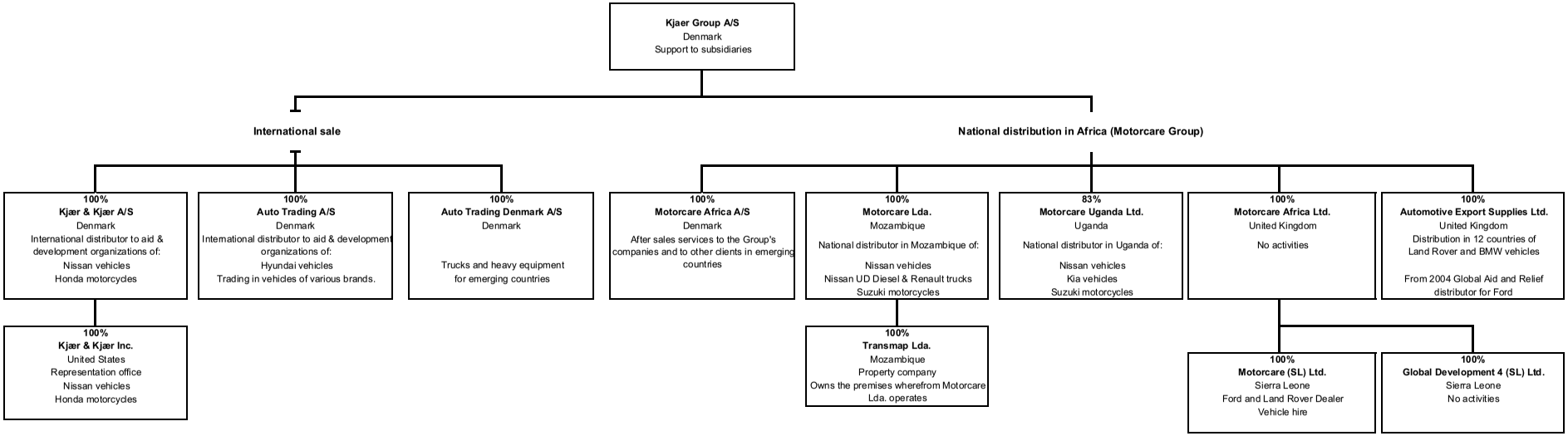
Koncernoversigt / Corporate structure

31 December 2003



Yderligere er følgende selskab uden aktivitet ejet 100% af Kjaer Group A/S: Kjær & Kjær Invest Aps

Further the following company without activities are owned 100% by Kjaer Group A/S: Kjær & Kjær Invest Aps

Selskabsoplysninger/Company details

Selskab / Company
Kjaer Group A/S
Grønnemosevej 6
5700 Svendborg
Denmark

CVR-nr. / VAT no.	DK 61 31 72 16
Telefon / Phone :	(+45) 62 22 11 11
Fax / Fax	(+45) 62 22 44 22
Hjemmside / Web-site:	www.kjaergroup.com
E-mail	info@kjaergroup.com

Bestyrelse / Board of directors
Finn Jørgen Andersen, Chairman
Niels Sloth, Deputy chairman
Mussa Mussa
Gote Hartvig

Direktion / Management
Christian Kjær, President
Mads Kjær, CEO
Flemming Ellang, CFO

Revision / Auditors
Deloitte, Statsautoriseret Revisionsaktieselskab
Østre Stationsvej 1
5000 Odense C
Denmark

Telefon / Phone :	(+45) 63 11 56 11
Fax / Fax	(+45) 63 11 56 12
Hjemmside / Web-site:	www.deloitte.dk
E-mail	odense@deloitte.dk

Ordinær generalforsamling / *Annual General Meeting*.
Afholdes 25. maj kl. 12 på selskabets adresse i Svendborg
To be held on 25 May 2004 at 12 at the company's address in Svendborg

Vi har dags dato aflagt årsrapporten for 2003 for Kjaer Group A/S.

Årsrapporten er aflagt i overensstemmelse med årsregnskabsloven. Vi anser den valgte regnskabspraksis for hensigtsmæssig, således at årsrapporten giver et retvisende billede af selskabets aktiver og passiver, finansielle stilling samt resultat.

Årsrapporten indstilles til generalforsamlingens godkendelse

Svendborg, den 23. april 2004

Direktion/Management

Chr. Kjær

Flemming Eltang

Bestyrelse / Board of directors

Finn Junge Andersen

Gitte Hartvig

We have today presented the annual accounts for 2003 for Kjaer Group A/S.

The annual accounts are sumitted in accordance with the accounting provisions of Danish legislation. We consider the selected accounting policies for appropriate, in order for the annual accounts to give a true and fair view of the company's assets, liabilities, financial position and of the profit/loss.

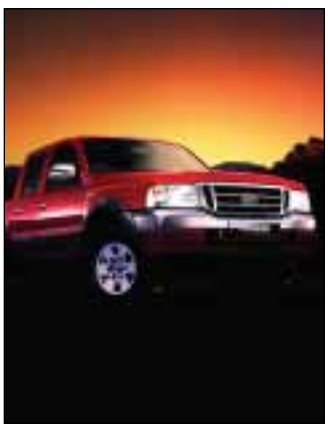
The annual accounts are submitted to the approval of the general assembly.

Svendborg 23rd April 2004

Mads Kjær

Niels Sloth

Mussa Mussa



Til aktionærerne i Kjaer Group A/S
Vi har revideret årsrapporten for Kjaer Group A/S for 2003.

Selskabets ledelse har ansvaret for årsrapporten. Vores ansvar er på grundlag af vores revision at udtrykke en konklusion om årsrapporten.

Den udførte revision

Vi har udført vores revision i overensstemmelse med danske revisionsstandarder. Disse standarder kræver, at vi tilrettelægger og udfører revisionen med henblik på at opnå høj grad af sikkerhed for, at årsrapporten ikke indeholder væsentlig fejlinformation. Revisionen omfatter stikprøvevis undersøgelse af information, der understøtter de i årsrapporten anførte beløb og oplysninger. Revisionen omfatter endvidere stillingtagen til den af ledelsen anvendte regnskabspraksis og til de væsentlige skøn, som ledelsen har udøvet, samt vurdering af den samlede præsentation af årsrapporten. Det er vores opfattelse, at den udførte revision giver et tilstrækkeligt grundlag for vores konklusion.

Revisionen har ikke givet anledning til forbehold.

Konklusion

Det er vores opfattelse, at årsrapporten giver et retvisende billede af koncernens og moderselskabets aktiver, passiver og finansielle stilling pr. 31.12.2003 samt af resultatet af koncernens og moderselskabets aktiviteter og koncernens pengestrømme for regnskabsåret 2003 i overensstemmelse med årsregnskabsloven.

Odense, den 23. april 2004

DELOITTE
Statsautoriseret Revisionsaktieselskab

P. Schak Larsen
statsautoriseret revisor
State Authorised
Public Accountant

Per Therkelsen
statsautoriseret revisor
State Authorised
Public Accountant

To the shareholders of Kjaer Group A/S
We have audited the annual report of Kjaer Group A/S for the financial year 2003.

The annual report is the responsibility of the Company's Management. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31.12.2003 and of the results of their operations as well as the consolidated cash flows for the financial year 2003 in accordance with the Danish Financial Statements Act.

Odense 23rd April 2004

5 års nøgletal — 5 years key figures

m.DKK

Hovedtal fra koncernregnskabet: tal i ( ) er beregnede iht. forklaring vist i anvendt regnskabspraksis	**Key figures from the Group Annual report:** figures in ( ) have been calculated as explained in accounting policies	m.DKK	**1999**	**2000**	**2001**	**2002**	**2003**
Nettoomsætning	Net Turnover		493,4	488,5	508,9	645,1	780,8
Vareforbrug	Costs of goods sold		-421,9	-406,8	-413,2	-542,5	-670,6
Bruttoresultat	**Gross profit**		**71,5**	**81,7**	**95,7**	**102,6**	**110,2**
Lejeindtægter	Rental income		0,4	0,5	0,5	0,5	1,3
Faste omkostninger, netto (a)	Overhead costs, net (a)		-58,1	-58,0	-62,4	-77,1	-80,3
Resultat før renter og skat	**Earnings Bef. Interests and Tax**	**EBIT**	**13,8**	**24,2**	**33,8**	**26,0**	**31,2**
Finansielle poster, netto	Financial items, net		-6,6	-8,0	-7,7	-9,1	-5,6
Resultat før skat	**Earnings Before Tax**	**EBT**	**7,2**	**16,2**	**26,1**	**16,9**	**25,6**
Ekstraordinære poster	Extraordinary items		0,0	0,0	0,0	0,0	0,0
Skat	Tax		-2,6	-5,8	-11,5	-6,3	-8,6
Minoritetsaktionærernes andele	Minority shareholders' part		-0,1	-0,9	-1,0	-1,4	-0,4
Årets resultat	**Earnings After Tax**	**EAT**	**4,5**	**9,5**	**13,6**	**9,2**	**16,6**
Egenkapital i alt	Total Equity		46,8	57,5	75,5	82,8	96,5
Minoritetsinteresser	Minority interests		5,3	7,4	8,8	8,6	3,9
Ansvarlig lånekapital, langfristet	Subordinated loans, long termed		10,8	23,1	19,4	10,2	5,0
Ansvarlig kapital (sum af ovst.)	**Total capital base (sum of above)**		**62,9**	**88,0**	**103,7**	**101,6**	**105,4**
Rentebær.gæld ekskl. ansv.lån (b) *	Interest carrying debt excl. Subord. (b) *		144,0	138,2	142,6	121,6	181,8
Arbejdskapital (sum af ovst.) *	**Capital employed (sum of above) ***		**206,9**	**226,2**	**246,3**	**223,2**	**287,2**
Foreslået udbytte	Proposed Dividends	m.DKK	0,1	1,1	2,4	1,2	3,2
Provenu fra kapitaludvidelser	Revenues from share subscriptions	m.DKK	0,0	0,8	1,4	4,5	3,9
Investeringer i mat. anlægsaktiver	Investments in tangible fixed assets	m.DKK	4,5	22,6	10,6	7,7	15,7
Balancesum	Total assets	m.DKK	282,9	295,3	371,2	351,7	416,9
Selskabskapital	Share capital	m.DKK	10,4	10,8	11,2	12,1	12,8
Udbytte & ureal. kursreg. i egenkap.	Dividends & unreal.exch.adj. in Equity	m.DKK	0,0	0,0	3,6	2,3	4,0
Ratios:	**Ratios:**						
Bruttomargin *	Gross margin *		14,5%	16,7%	18,8%	15,9%	14,1%
Overskudsgrad efter finans	Earnings to Turnover ratio		1,4%	3,1%	4,9%	2,4%	3,2%
Afkastningsgrad	Earnings to Assets ratio		4,9%	8,2%	9,1%	7,4%	7,5%
Egenkapitalforrentning *	Earnings to Equity ratio *		19,2%	18,2%	20,5%	11,6%	18,5%
Afkast af arbejdskapital	Return on Capital Employed		2,2%	4,2%	5,5%	4,1%	6,5%
Egenkapitalandel *	Solidity ratio *		16,5%	19,5%	20,3%	23,5%	23,1%
Ansvarlig kapitalandel	Solidity ratio on total capital base		22,2%	29,8%	27,9%	28,9%	25,3%
Finansiel gearing *	Financial gearing *		331%	281%	215%	159%	194%
Gearing excl. ansvarlige lån	Gearing excl. Subordinated loans		308%	240%	189%	147%	188%
Indre værdi af nom. 1.000 DKK aktie	Equity value of nom. 1,000 DKK share	DKK	4.488	5.344	6.768	6.855	7.572
Korrigeret indre værdi til aktiepris	Adjust. Equity value for share pricing	DKK	4.488	5.344	6.445	6.663	7.261

Nøgletal i 5 års oversigt, der er defineret i Den Danske Finansanalytikerforenings "Anbefalinger & Nøgletal 1997" er mærket * og er udregnet i overensstemmelse med denne. I redegørelse for anvendt regnskabspraksis er alle nøgletal defineret.
*Key figures in the 5 year overview, which are defined by The Danish Financial Analysts Association in its publication from 1997 are marked * and calculated in accordance with the recommendations. In the description of accounting policies all key ratios have been defined.*

Ændring af regnskabspraksis — ***Change of accounting policies***

Regnskabspraksis er ændret i år 2002 i hvilken forbindelse balancetallene pr. 31. December 2001 er tilpasset. Bortset herfra er der ikke foretaget tilpasning af tidligere års tal i overensstemmelse med overgangsbestemmelser i Årsregnskabsloven.
The accounting policies have been changed for the year 2002 wherefore the Balance sheet figures as per 31 December 2001 have been modified. Except for this, previous years figures have not been modified, which is in accordance with the interim provisions of the Danish Finacial Statements Act.

a) Faste omkostninger, netto — ***a) Overhead costs, net***

Andre driftsindtægter eksl. lejeindtægter - andre eksterne udgifter - personaleudgifter - afskrivninger
Misc. Operating income excl. rental income - other external expenses - staff expenses - depreciations

b) Rentebær.gæld ekskl. ansv.lån — ***b) Interest carrying debt excl. Subord. ****

Prioritetsgæld + Andre kreditstitutter + Bankgæld + næste års afdrag på langfristet gæld + gæld til tilknyttede virksomheder.
Mortgage debt + Other credit institutions + Bank debt + next years installments on long termed debt + debt to associated companies.

Mission
Vi leverer transport løsninger, der skaber værdi for udviklingslande.

Vision
Vi er alle mærker, dig og mig, selskaberne i Kjaer Group og de produkter vi repræsenterer. Vor drøm er gennem præstationer for kunder at blive det foretrukne mærke i de udviklingsmarkeder vi servicerer. Vi vil være tillidsværdige og anbefalede af vore partnere og medarbejdere. Vi sigter mod respekt og beundring fra vore konkurrenter og offentligheden.

Vi vil være det foretrukne brand i vore markeder.

Tilsagn
Kjaer Group opererer globalt og vi navigerer vor virksomhed ud fra fire forpligtelser:

1. Vi innoverer og bygger stærke relationer med vore kunder, partnere og medarbejdere
2. Vi udøver vor virksomhed professionelt til den højeste standard på vore markeder og skaber derved værdi for vore aktionærer og overskud til vækst
3. Vi udvikler vor organisation med stærke sociale evner og virksomhedsværdier
4. Vi gør en forskel og "we care"

Vor filosofi for aktion og interaktion er:
Love cars, love people, love life.

Koncernens hovedaktiviteter
Hovedaktiviteterne i moderselskabet Kjaer Group A/S er administrativ og ledelsesmæssig assistance til datterselskaber, videresalg til og finansiering mv. af udenlandske distributionsselskaber samt information til koncernens interessenter.

Koncernen har to forretningssegmenter som begge driver virksomhed indenfor salg og service af køretøjer til udviklingslande:

1. Internationalt salg til nødhjælps- og udviklingsprojekter af Kjær & Kjær A/S, Auto Trading A/S og Auto Trading Denmark A/S.
2. National distribution i Afrika af Motorcare gruppen.

Kjær & Kjær A/S sælger Nissan biler og Honda motorcykler til brug ved nødhjælps- og udviklings-projekter.

Auto Trading A/S sælger Hyundai biler til brug ved nødhjælps- og udviklingslingsprojekter. Selskabet sælger endvidere Toyota biler og køretøjer af forskellige andre mærker internationalt.

Auto Trading Denmark A/S sælger lastbiler og tungt udstyr til containerhandling etc. leveret i udviklingslande.

Motorcare gruppen består af Motorcare Uganda Ltd, Motorcare Lda. (Mozambique), Motorcare (SL) Ltd. (Sierra Leone) og Automotive Export Supplies Ltd. (UK) og Motorcare Africa A/S.

Mission
Our Group provides transportation solutions adding value to the emerging countries.

Vision
We are all brands, you and me, the companies in Kjaer Group and the products we represent. Our dream is by performance to clients to become the preferred brand in the emerging markets we serve. We want to be trusted and recommended by our partners and team players. We aim for respect and admiration from our competitors and the public.

We want to be the preferred brand in our markets.

Commitment
Kjaer Group operates globally and we navigate our business from four commitments:

1. We innovate and build strong relationships with our clients, partners and team players
2. We conduct our business professionally to the highest standards in our market, creating shareholder value and adequate profit to grow
3. We develop our organization with strong social skills and corporate values
4. We make a difference and we care

Our philosophy of action and interaction is:
Love cars, love people, love life.

Main activities in the Group
The main activities of the parent company Kjaer Group A/S are administrative and managerial support to subsidiaries, resale to and financing of foreign distribution companies and information to the Group's stakeholders.

The Group has two business segments, both of which are active within the sales and servicing of vehicles for developing countries:

1. International sales to aid and development projects by Kjær & Kjær A/S, Auto Trading A/S and Auto Trading Denmark A/S.
2. National distribution in Africa by the Motorcare group.

Kjær & Kjær A/S sell Nissan vehicles and Honda motorcycles for use by aid and development projects.

Auto Trading A/S is selling Hyundai vehicles for use by aid and development projects. The company is further trading Toyota cars and vehicles of various other brands internationally.

Auto Trading Denmark A/S is selling trucks and heavy equipment for containerhandling etc. delivered in emerging countries.

The Motorcare group consists of Motorcare Uganda Ltd., Motorcare Lda. (Mozambique), Motorcare (SL) Ltd. (Sierra Leone), Automotive Export Supplies Ltd. (UK) and Motorcare Africa A/S (DK).

Motorcare Uganda Ltd. er ene-distributør i Uganda af Nissan og Kia biler samt Suzuki motorcykler.

Motorcare Lda. (Mozambique) er ene-distributør i Mozambique af Nissan biler, Suzuki motorcykler samt Nissan UD Diesel og Renault trucks.

Motorcare (SL) Ltd., er ene-distributør i Sierra Leone af Ford biler samt autoriseret forhandler af Land Rover. Selskabet driver endvidere værksted og biludlejning.

Automotive Export Supplies Ltd., England er distributør for Land Rover og BMW i 12 afrikanske lande gennem lokale forhandlervirksomheder.

Motorcare Africa A/S leverer eftersalgs service til koncernens selskaber samt til andre kunder i udviklingslande.

Udvikling i aktiviteter i år 2003
I januar 2003 overtog koncernen selskabet Global Development Four (SL) Ltd., Sierra Leone. Selskabets aktiviteter er efterfølgende overført til et nystiftet selskab under navnet Motorcare (SL) Ltd. og dette selskab er udnævnt til Ford og Land Rover forhandler.

I 2003 etablerede Kjær & Kjær A/S et datterselskab i Washington, USA med det formål at forøge salget til amerikanske organisationer.

I august etablerede koncernen et ny datterselskab, Auto Trading Denmark A/S som allerede i sit første driftsår har bidraget positivt til aktiviteteterne og resultatet i koncernen.

I september fik vi æren at modtage besøg af Hans Kongelige Højhed Prins Henrik af Danmark og foretage en præsentation af vore aktiviteter.

I oktober tilsluttede Kjaer Group sig det internationale netværk Forenende Nationers Global Compact netværk, hvorved vi forpligter os til at efterleve og supportere ni principper med standarder indenfor menneske- og arbejder-rettigheder samt miljøbeskyttelse.

Kjaer Group vandt konkurrencen Danmark Bedste Arbejdsplads 2003 og modtog prisen herfor i November.

Økonomisk udvikling i år 2003
Årets resultat udviser et overskud på 16.612 t.DKK efter skat.

Resultatet efter skat er det **bedste resultat nogensinde** i koncernen. Bestyrelsen og direktionen betragter resultatet som tilfredsstillende.

Ved aflæggelsen af årsrapporten 2002 forventede ledelsen et resultat på et højere niveau end overskuddet i 2002, der udgjorde 9.230 t.DKK efter skat. Disse forventninger er indfriet.

Motorcare Uganda Ltd. is sole distributor in Uganda of Nissan and Kia vehicles and Suzuki motorcycles.

Motorcare Lda. (Mozambique) is sole distributor in Mozambique of Nissan vehicles, Suzuki motorcycles and Nissan UD Diesel and Renault trucks.

Motorcare (SL) Ltd. is authorized dealer in Sierra Leone of Ford and Land Rover vehicles. The company is further providing workshop and car rental services.

Automotive Export Supplies Ltd., England is distributor for Land Rover and BMW in 12 African countries acting through locally established dealers.

Motorcare Africa A/S (DK) is providing After sales services to the Group's companies and to other clients in emerging countries.

Activities in 2003
In January 2003 the Group took over the company Global Development Four (SL) Ltd., Sierra Leone. Subsequently, the activities have been transferred to a newly established company named Motorcare (SL) Ltd. and this company has been appointed Ford and Land Rover dealer.

During 2003 the Kjær & Kjær A/S established a subsidiary in Washington, United Stated with the purpose of increasing its sales to American organizations.

In August the Group established Auto Trading Denmark A/S who already in its first year of operation has contributed positively to the activities and results of the Group.

We had the honour of welcoming and presenting our company to His Royal Highness Prince Henrik of Denmark, who visited our company in September.

In October Kjaer Group joined the international network United Nations Global Compact Network hereby committing to live by and support its nine principles within the areas of Human Rights, Labour and Environmental standards.

Kjaer Group won the Danish competition of Great Places to Work and was in November awarded Denmarks Best Work Place 2003.

Financial developments in 2003
The result for the year was a profit of 16,612 t.DKK after tax.

The Earnings After Tax is **the best result ever** in the Group. The Board and the Management consider the result to be satisfactory.

When the Annual report for 2002 was presented, management expected a result at a higher level than the profit in 2002, which was showing 9,230 t.DKK Earnings After Tax. These expectations have been met.

I år 2003 er gennemført kapitalforhøjelser ved tegning af medarbejderaktier. Der blev tegnet nominelt 669 t.DKK aktier til et samlet provenu på ialt 3,940 t.DKK, der er indbetalt kontant. Omkostningerne ved kapitalforhøjelserne har udgjort maximum 20 t.DKK. **Medarbejdere ejer herefter 18% af selskabets aktier.**

Capital increases were implemented in 2003 via subscriptions for employee shares. Shares to the nominal value of 669 t.DKK were subscribed for a total revenue of 3,940 t.DKK paid in cash. The costs of the capital increase amounted to max. 20 t.DKK. **Employees now own 18% of the company's shares.**

Økonomisk udvikling i år 2004

For år 2004 forventer koncernen et yderligere forbedret resultat.

Financial development in 2004

The Group expects an even higher result in the year 2004.

I marts 2004 udnævnte Ford Motor Company vort datterselskab Automotive Export Supplies Ltd. til global udviklings- og nødhjælps-distributør. Denne nye kontrakt åbner nye store muligheder for vor koncern.

In March 2004 Ford Motor Company appointed our subsidiary Automotive Export Supplies Ltd. as Global Aid and Relief Distributor. This new contract is opening new big opportunities to our Group.

Der er fra statustidspunktet og frem til idag ikke indtrådt forhold som efter vor overbevisning vil kunne forrykke vurderingen af årsregnskabet væsentligt.

No events have occurred after the end of the financial year, which could have a material influence on the company's financial position.

Øvrige oplysninger

I årsregnskabsloven er der endvidere indsat særlige krav til supplerende information som skal afgives i ledelsesberetningen bestående af:

- Videnressourcer af særlig betydning
- Særlige risici
- Påvirkning af eksternt miljø
- Forsknings- og udviklingsaktiviteter

Denne information følger nedenfor.

Miscellaneous additional information

The Danish Financial Statements Act sets further special requirements for additional information to be given in the Management's review being:

- Knowledge ressources of special significance
- Special risks
- Impact on the external environment
- Research and development activities

Below please find this information.

Videnressourcer af særlig betydning

Selskabets virksomhed stiller særlige krav til videnressourcer. De vigtigste kundskaber er sprog og multikulturelt samarbejde, relationsskabning med kunder, erfaring med international handel i udviklingslande, innovation samt kendskab til bilbranchen og samarbejde med bilproducenter.

Knowledge resources of special significance

The Group's activities set special demands to knowledge resources. The most important knowledge is language skills and multicultural cooperation, relationship building with clients, experience with international trade in developing countries, innovation, knowledge of the automotive sector and cooperation with car manufacturers.

Organisationen søger til stadighed at sikre og udbygge opsamlet viden. Der arbejdes målrettet med uddannelse for at forøge viden og fastholde kompetente medarbejdere. De danske selskabers certificering som Investors In People organisationer er et strategisk instrument hertil og vi har opstartet processen med henblik på tilsvarende certificering af vore Motorcare selskaber i Uganda og Mozambique inden 2005.

The organisation is continously seeking to secure and extend its collective knowledge. Training is applied to increase knowledge and retain competent employees. The Danish companies' certification as Investors in People organisations is a strategic instrument for this, and we have commenced the process of gaining equivalent certification of our Motorcare companies in Uganda and Mozambique within 2005.

Redegørelse for særlige risici og afdækning

Koncernen arbejder systematisk med risikostyring med sigte på reduktion, spredning og forsikringafdækning af risici.

Special risks and their covering

The Group is working systematically with risk management with the aim of achieving a reduction, spread and insurance of risks.

På grund af koncernens markedsfokusering på udviklingslande anses landerisici og valutarisici som særlige for virksomheden udover de almindeligt forekommende risici indenfor automotiv handel og distribution.

Given the Group's market focus on developing countries we consider country risks and exchange rate risks to be of special importance to the company in addition to ordinary accepted risks within automotive trade and distribution.

Koncernens væsentligste landerisici er på Mozambique og Uganda. Der er tegnet forsikring mod politiske risici på varelagre, som dækker i tilfælde af krig eller konfiskation. Endvidere er der tegnet forsikringer, som delvist afdækker politiske risici på moderselskabets aktier i nævnte dattervirksomheder.

The Group's most significant country risks are in Mozambique and Uganda. Insurance has been taken out against political risks to inventories with a cover in the event of war or confiscation. Insurances have also been taken out for partly cover of political risks on the parent company's shares in these subsidiaries.

Valutarisici påtages kun med udgangspunkt i kommercielle forhold og der tilstræbes en lav risikoprofil. Væsentlige transaktionsbaserede valutarisici afdækkes løbende.

In respect of exchange rate risks such are taken on commercial basis only and a low exposure is sought. Significant transaction-based exchange rate risks are being hedged.

Afrikanske dattervirksomheders resultater og egenkapitaler opgøres og valutasikres i USD. Kjaer Group's værdi af aktier i udenlandske dattervirksomheder sikres delvist af moderselskabet i DKK ved valutalån og strategiske valutaterminskontrakter på mindst 50% af aktiernes bogførte værdi.

African subsidiaries' results and equities are measured and hedged in USD. Kjaer Group's value of shares in foreign subsidiaries is partly hedged by the parent company in DKK terms via exchange stabilisation loans and strategic forward exchange contracts for at least 50% of the shares' booked value.

Påvirkning af eksterne miljø

Virksomheden driver værkstedsaktiviteter. Koncernen har stillet høje krav til sit virke både i form af arbejdsmiljø og påvirkning af eksternt miljø. I de lande, hvor koncernen arbejder, er vor standard i top og langt udover den normale standard i udviklingslande.

Impact on the external environment

The company has workshop activities. The Group has set a high standard for its activities, both in the form of the working environment and its impact on the environment in general. In the countries where the group is active, our standard is top class and far in excess of the normal standard in developing countries.

Koncernen har i Uganda og Mozambique et indgående samarbejde med Danida's Privat Sektor Program om miljøforbedringer og opfylder Code of Conduct fastsat af Industrialiseringsfonden for Udviklingslande (IFU).

In Uganda and Mozambique the Group cooperates closely with Danida's Private Sector Programme on environmental improvements and complies with the Code of Conduct specified by the Industrialisation Fund for Developing Countries (IFU).

Vi arbejder konstant for at forbedre os og vor tiltrædelse af FN's Global Compact er ment som et redskab til at syupportere vore bestræbelser herpå.

Though, we constantly strive to improve and our signature to the UN Global Compact is meant as a tool to support our efforts in that respect.

Forsknings- og udviklingsaktiviteter

Som handelsvirksomhed består koncernens forsknings- og udviklingsaktiviteter af konceptudvikling, der gennemføres kontinuerligt.

Research and development activities

As a trade business, the Group's research and development activities consist of concept development, which is performed continously.

Pengestrømsopgørelse — Cash flow statement

DKK 1,000

		Koncern / Group 2003	2002
Bruttofortjeneste	Gross contribution	79.061	71.652
Kursregulering af egenkapital mv. i datterselskaber	Exch. rate adj. of Equity etc. in subsidiaries	-4.889	-50
Personaleudgifter	Staff expenses	-43.361	-40.583
Finansielle poster	Financial transactions	-5.852	-7.138
Resultatets likviditetsvirkning	Cash flow from profit and loss	24.959	23.881
Betalte skatter og kursreg. af skat	Taxes paid and exch. adj. of tax	-10.162	-10.960
Ændring i omsætningsaktiver:	Change in current assets:		
Varebeholdninger	Stocks	12.491	6.012
Tilgodehavende fra salg	Trade receivable	-70.904	17.890
Tilgode hos associerede selskaber	Receivables on associated comp.	13.954	-9.557
Forudbetalte varekøb	Prepaid purchases	0	-1.060
Periodeafgrænsningsposter	Prepaid expenses	817	731
Andre tilgodehavender	Other various outstandings	-16.734	-3.196
Ændring i kortfristet gæld:	Change in short-term debt:		
Forudbetalinger fra kunder	Prepayments from customers	11.441	658
Gæld til ledelse	Payable to management	0	-489
Gæld til tilknyttede virksomheder	Payable to associated companies	0	-293
Leverandørgæld	Payable to suppliers	-2.940	11.774
Anden gæld	Other accounts payable	-67	-3.960
Pengestrøm fra drift	**Cash flow from operations**	**-37.145**	**31.431**
Køb af immaterielle anlægsaktiver	Investments in intangible assets	0	0
Køb af materielle anlægsaktiver	Investments in tangible assets	-15.660	-7.716
Badwill vedrørende køb af aktiver	Badwil regarding purchase of assets	808	0
Tilgang ved selskabskøb	Additions by company acquisition	0	0
Salg af materielle anlægsaktiver	Sale of tangible assets	5.079	2.494
Køb af finansielle anlægsaktiver	Investments in financial assets	0	0
Salg af finansielle anlægsaktiver	Sale of financial assets	22	19
Investerings pengestrømme	**Cash flow from investments**	**-9.751**	**-5.203**
Betalt udbytte til aktionærer	Paid dividend to shareholders	-1.208	-2.351
Låneoptagelse	Raising of loans	0	7.961
Afdrag på lån	Repayment on loans	-14.766	-13.473
Kapitalindskud fra minoritetsint.	Share subscription by minorities	0	0
Indfrielse af minoritetsandele	Repayment of minorities shares	-4.118	-105
Kapitalindskud ved emission	Increase of capital in parent company	3.941	4.518
Pengestrøm fra finansiering	**Cash flow from financial transactions**	**-16.151**	**-3.450**
Årets pengestrømme, netto	**Cash flow of the year, net**	**-63.047**	**22.778**
Likviditet primo	Liquid funds, beginning of the year	-77.923	-100.701
Likviditet ultimo	**Liquid funds, end of the year**	**-140.970**	**-77.923**
Specificeres som følger:	Specified as follows:		
Likvide midler	Liquid funds	3.093	1.417
Bankgæld	Bank debts	-144.063	-79.340
Nettolikviditet ultimo	**Liquid funds net, end of the year**	**-140.970**	**-77.923**

De nye aktiviteter i Auto Trading Denmark A/S har skabt en væsentlig negativ pengestrøm, hvortil der er indhentet separat projektfinansiering i banker.

The new activities in Auto Trading Denmark A/S has created a significant negative Cash flow, for which we have received separate project finance in banks.

Pengestrøm fra dette selskab er inkluderet med:	The Cash flow from this company is included with:	
Pengestrøm fra drift	Cash flow from operations	-44.449
Investerings pengestrømme	Cash flow from investments	-182
Pengestrøm fra finansiering	Cash flow from financial transactions	0
Årets pengestrømme i Auto Trading Denmark	**Cash flow of the year in Auto Trading Denmark**	**-44.631**

Resultatopgørelse 1. januar - 31. december 2003
Profit and loss account 1st January - 31st December 2003

DKK 1,000

Note			Moderselskab Parent company		Koncern Group	
			2003	2002	2003	2002
1	Nettoomsætning	Net turnover	77.077	86.939	780.769	645.136
2	Andre driftsindtægter	Misc. operating income	23.994	20.616	1.423	2.933
	Vareforbrug	Cost of goods sold	-70.450	-80.971	-670.599	-542.526
	Andre eksterne udgifter	Other external expenses	-10.680	-12.034	-32.532	-33.891
	Bruttofortjeneste	**Gross contribution**	**19.941**	**14.550**	**79.061**	**71.652**
3	Personaleudgifter	Staff expenses	-11.676	-11.253	-43.361	-40.583
4	Afskrivninger	Depreciations	-1.745	-1.664	-4.548	-5.034
	Resultat før renter og skat	**Earnings before interest and tax (EBIT)**	**6.520**	**1.633**	**31.152**	**26.035**
5	Resultatandel i datterselskaber (før skat)	in subsidiaries (before tax)	20.877	17.476	0	0
5	Resultatandel i assoc. selskaber	Share of profit in assoc. comp.	500	-1.925	292	-1.925
	Renteindtægter o.lign.	Financial income	610	2.639	3.983	3.754
	Renteudgifter o.lign.	Financial expenses	-3.336	-4.265	-9.835	-10.892
	Resultat før skat	**Earnings before tax (EBT)**	**25.171**	**15.558**	**25.592**	**16.972**
6	Skat af årets ordinære resultat	Tax on current ordinary profit	-533	2.912	-8.559	-6.328
6	Skat af datterselskabers resultat	Tax on subsidiaries profits	-8.026	-9.240	0	0
	Årets resultat før minoriteter	**Net earnings before minorities**	**16.612**	**9.230**	**17.033**	**10.644**
	Minoritetsaktionærernes andel	Minority shareholders' part	0	0	-421	-1.414
	ÅRETS RESULTAT	**EARNINGS AFTER TAX (EAT)**	**16.612**	**9.230**	**16.612**	**9.230**
	Forslag til resultatfordeling:	**Proposed distribution of profit:**				
	Udbytte	Dividends	3.188	1.208	3.188	1.208
	Datterselskabsreserve	Subsidiaries revaluation surplus	4.809	-8.865	0	0
	Overført overskud	Carried forward	8.615	16.887	13.424	8.022
			16.612	9.230	16.612	9.230

Balance pr. 31. december 2003
Balance sheet as per 31st December 2003

DKK 1,000

Note	Aktiver	Assets	Moderselskab Parent company Dec 2003	Moderselskab Parent company Dec 2002	Koncern Group Dec 2003	Koncern Group Dec 2002
	Goodwill	Goodwill	0	0	713	905
8	**Immaterielle anlægsaktiver**	**Intangible fixed assets**	**0**	**0**	**713**	**905**
	Grunde og bygninger	Land and buildings	32.527	28.406	52.745	53.000
	Maskiner og inventar	Machinery and equipment	1.215	1.163	3.210	2.893
	Firma- og leasebiler	Company and lease cars	1.459	1.559	9.207	5.181
7	**Materielle anlægsaktiver**	**Tangible fixed assets**	**35.201**	**31.128**	**65.162**	**61.074**
	Kapitalandele i datterselskaber	Shares in subsidiaries	100.018	80.986	0	0
	Kapitalandele associerede selskaber	Shares in associated companies	0	0	438	690
	Andre kapitalandele og værdipapirer	Other shares and bonds	410	432	410	432
5	**Finansielle anlægsaktiver**	**Financial fixed assets**	**100.428**	**81.418**	**848**	**1.122**
	Anlægsaktiver ialt	**Total fixed assets**	**135.629**	**112.546**	**66.723**	**63.101**
	Varebeholdninger	**Stocks**	**0**	**0**	**159.652**	**172.143**
	Tilgodehavender fra salg	Trade receivables	988	135	160.373	89.469
	Tilgode hos datterselskaber	Receivables on subsidiaries	30.392	45.257	0	0
	Tilgode hos associerede selskaber	Receivables on associated comp.	0	1.076	0	13.954
13	Tilgodehavende selskabsskat	Corporation tax receivable	487	754	504	974
	Periodeafgrænsningsposter	Prepaid expenses	131	253	298	1.115
	Andre tilgodehavender	Other outstanding amounts	9.776	3.842	26.285	9.551
	Tilgodehavender	**Accounts receivable**	**41.774**	**51.317**	**187.460**	**115.063**
	Likvide beholdninger	**Liquid funds**	**130**	**40**	**3.093**	**1.417**
	Omsætningsaktiver ialt	**Total current assets**	**41.904**	**51.357**	**350.205**	**288.623**
	AKTIVER I ALT	**TOTAL ASSETS**	**177.533**	**163.903**	**416.928**	**351.724**

Balance pr. 31. december 2003
Balance sheet as per 31st December 2003

DKK 1,000

Note	Passiver	Liabilities	Moderselskab Parent company Dec 2003	Moderselskab Parent company Dec 2002	Koncern Group Dec 2003	Koncern Group Dec 2002
	Selskabskapital	Share capital	12.750	12.081	12.750	12.081
	Overkurs ved emission	Share premium account	8.346	5.074	8.346	5.074
	Datterselskabsreserve	Subsidiaries revaluation surplus	20.340	21.146	0	0
	Overført overskud	Carried forward	51.917	43.302	71.479	63.346
	Urealiseret kursreg. på sikring af fremtidige transaktioner	Unrealised exch. adj. on hedging of future transactions	0	0	778	1.102
	Foreslået udbytte for året	Proposed dividend for the year	3.188	1.208	3.188	1.208
8	**Egenkapital ialt**	**Total equity**	**96.541**	**82.811**	**96.541**	**82.811**
9	**Minoritetsinteresser**	**Minority interests**	**0**	**0**	**3.852**	**8.554**
10	**Hensættelse til udskudt skat**	**Provision for deferred tax**	**9.023**	**6.763**	**7.427**	**11.170**
11	Ansvarlig lånekapital	Subordinated loans	0	0	5.028	10.228
	Prioritetsgæld	Mortgage debt	3.938	1.595	3.938	1.595
	Andre kreditinstitutter	Other credit institutions	12.830	14.870	20.437	25.803
	Anden langfristet gæld	Other long termed debt	0	0	0	5.045
12	**Langfristet gæld ialt**	**Total long termed liabilities**	**16.768**	**16.465**	**29.403**	**42.671**
12	Næste års afdrag på langfristet gæld	Next years installments on long-termed debt	1.296	9.390	13.398	14.896
	Forudbetalinger fra kunder	Prepayments from customers	1.913	2.273	24.114	12.673
	Gæld til tilknyttede virksomheder	Payable to associated companies	33.567	2.337	0	0
13	Skyldig selskabsskat	Corporation tax payable	0	0	4.308	2.837
	Koncernbadwill	Group badwill	0	0	808	0
	Leverandørgæld	Payable to suppliers	3.778	6.875	67.049	69.989
	Anden gæld	Other accounts payable	6.454	7.675	25.965	26.783
	Bankgæld	Bank debts	8.193	29.314	144.063	79.340
	Kortfristet gæld ialt	**Total current liabilities**	**55.201**	**57.864**	**279.705**	**206.518**
	PASSIVER I ALT	**TOTAL LIABILITIES**	**177.533**	**163.903**	**416.928**	**351.724**

14	Pantsætninger	Pawnings
15	Eventualforpligtigelser	Contingent liabilities
16	Nærtstående parter	Related parties
17	Revisionshonorar	Auditor's fee

Samlet ansvarlig kapital	**Total capital base (equity etc.)**		
Den samlede ansvarlige kapital der er efterstillet alle andre kreditorer opgøres således:	The total sum of equity and equivalent capital subordinated all other creditors are:		
Egenkapital ialt	Total equity	96.541	82.811
Minoritetsinteresser	Minority interests	3.852	8.554
Ansvarlig lånekapital	Subordinated loans	5.028	10.228
- Kaution fra Kjaer Group A/S	-Guarantee from Kjaer Group A/S	-2.000	-2.000
Ialt per statusdagen	Total as per Balance sheet date	**103.421**	**99.593**
- Minoriteter indfriet januar 2003	Minorities redeemed January 2003		-4.437
			95.156

Ændringer i egenkapitalen - moderselskab
Statement of changes in equity - parent company

DKK 1,000

Moderselskab ***Parent company***	**Selskabs-kapital** **Share capital**	**Overkurs ved emission** **Share premium account**	**Dattersel-skabsre-serve** **Subsidiaries revaluation surplus**	**Overført overskud** **Carried forward**	**Foreslået udbytte for året** **Proposed dividend for the year**	**Egenkap. i alt** **Total equity**
Saldo 1. januar 2002 *Balance 1 January 2002*	11.155	1.482	34.076	26.415	2.351	75.479
Emission *Emission*	926	3.592	0	0	0	4.518
Udbetalt udbytte *Dividend paid*	0	0	0	0	-2.351	-2.351
Valutakursregulering af kapitalandele i datterselsk. *Exchange rate adjustments of shares in subs.*	0	0	-3.929	0	0	-3.929
Ændring i urealisered hedging *Change in unrealised hedging*	0	0	-136	0	0	-136
Forslag til resultatfordeling *Proposed distribution of profit*	0	0	-8.865	16.887	1.208	9.230
Saldo 31. december 2002 ***Balance 31 December 2002***	**12.081**	**5.074**	**21.146**	**43.302**	**1.208**	**82.811**
Udbetalt udbytte *Dividend paid*	0	0	0	0	-1.208	-1.208
Emission *Emission*	669	3.272	0	0	0	3.941
Valutakursregulering af kapitalandele i datterselsk. *Exchange rate adjustments of shares in subs.*	0	0	-5.291	0	0	-5.291
Ændring i urealisered hedging *Change in unrealised hedging*	0	0	-324	0	0	-324
Forslag til resultatfordeling *Proposed distribution of profit*	0	0	4.809	8.615	3.188	16.612
Andre kapitalreguleringer *Other equity adjustments*	0	0	0	0	0	0
Saldo 31. december 2003 ***Balance 31 December 2003***	**12.750**	**8.346**	**20.340**	**51.917**	**3.188**	**96.541**

Ændringer i egenkapitalen - koncern
Statement of changes in equity - group

DKK 1,000

Koncern
Group

	Selskabs-kapital Share capital	Overkurs ved emission Share premium account	Overført overskud Carried forward	Urealis. kursreg. på sikring af fremtidige transaktioner Unrealised exch.adj. on hedging of future transactions	Foreslået udbytte for året Proposed dividend for the year	Egenkap. i alt Total equity
Saldo 1. januar 2002 *Balance 1 January 2002*	11.155	1.482	59.253	1.238	2351	75.479
Emission *Emission*	926	3.592	0	0	0	4.518
Udbetalt udbytte *Dividend paid*	0	0	0	0	-2.351	-2.351
Valutakursreg. af nettoaktiver i datterselsk. *Exchange rate adjustm. of Net assets in subs.*	0	0	-3.929	0	0	-3.929
Ændring i urealisered hedging *Change in unrealised hedging*	0	0	0	-136	0	-136
Forslag til resultatfordeling *Proposed distribution of profit*	0	0	8.022	0	1.208	9.230
Saldo 31. december 2002 ***Balance 31 December 2002***	**12.081**	**5.074**	**63.346**	**1.102**	**1.208**	**82.811**
Udbetalt udbytte *Dividend paid*	0	0	0	0	-1.208	-1.208
Emission *Emission*	669	3.272	0	0	0	3.941
Valutakursreg. af nettoaktiver i datterselsk. *Exchange rate adjustm. of Net assets in subs.*	0	0	-5.291	0	0	-5.291
Ændring i urealisered hedging *Change in unrealised hedging*	0	0	0	-324	0	-324
Forslag til resultatfordeling *Proposed distribution of profit*	0	0	13.424	0	3.188	16.612
Andre kapitalreguleringer *Other equity adjustments*	0	0	0	0	0	0
Saldo 31. december 2003 ***Balance 31 December 2003***	**12.750**	**8.346**	**71.479**	**778**	**3.188**	**96.541**

DKK 1,000

1 Segmentoplysninger / Segment information

på aktiviteter / by activities

		Koncern / Group			
		Netto-omsætning Net turnover	Netto-omsætning Net turnover	Profit før renter/skat Profit before interest/tax	Profit før renter/skat Profit before interest/tax
		2003	2002	2003	2002
Internationalt salg	International sale	512.240	319.629	13.450	5.089
National distribution	National distribution	268.529	325.507	10.347	19.313
Andre aktiviteter	Other activities	0	0	7.355	1.633
Ialt	Total	**780.769**	**645.136**	**31.152**	**26.035**

		Moderselskab / Parent company		Koncern / Group	
2 Andre driftsindtægter	**Misc. Operating income**	**Dec 2003**	**Dec 2002**	**Dec 2003**	**Dec 2002**
Administrationsbidrag og royalty fra datterselskaber	Management fees and royalty from susidiaries	23.583	18.782	0	0
Eksterne lejeindtægter og omkostningsrefusioner m.v.	External rent income and cost refunds etc.	411	1.834	1.423	2.933
		23.994	**20.616**	**1.423**	**2.933**
3 Personale udgifter	**Staff expenses**				
Gage til direktion	Salaries to management	3.002	2.403	3.002	2.403
Bestyrelseshonorar	Directors fees	220	260	220	260
Løn og gager, andre ansatte	Salaries and wages employees	7.689	8.050	39.374	37.380
Pensioner	Pensions	187	143	187	143
Øvrige personaleudgifter	Other staff expenses	578	397	578	397
		11.676	**11.253**	**43.361**	**40.583**
Gennemsnitligt antal fuldtidsbeskæftigede	Average number of full-time employees	26	27	211	171
4 Afskrivninger	**Depreciations**				
Goodwill	Goodwill	0	0	192	236
Badwill	Badwill	0	0	-446	0
Ejendomme	Land and buildings	996	886	2.440	2.490
Maskiner og inventar	Machinery and equipment	350	309	1.002	868
Firmabiler	Company cars	399	457	2.255	2.505
Tab/gevinst salg af anlægsaktiver	Loss/profit, sale of tangible assets	0	12	-895	-1.065
		1.745	**1.664**	**4.548**	**5.034**

DKK 1,000

5 Finansielle anlægsaktiver — Financial fixed assets

		Moderselskab Parent company			Koncern Group	
		Kapitalandele i datter-selskaber Shares in subsidiaries	Kapitaland. assoc. selskaber Shares in assoc. comp.	Andre værdi-papirer Other shares and bonds	Kapitaland. assoc. selskaber Shares in assoc. comp.	Andre værdi-papirer Other shares and bonds
Anskaffelsessum:	Purchase value:					
Primo	At the beginning of the year	59.840	3.026	432	4.001	432
Årets tilgange	Additions	20.338	0	0	0	0
Årets afgange	Disposals	-500	0	-22	0	-22
Ultimo	End of the year	79.678	3.026	410	4.001	410
Opskrivninger:	Revaluations:					
Primo	At the beginning of the year	21.146	0	0	0	0
Badwill	Badwill	-1.487	0	0	0	0
Regulering primo	Adjustment primo	2.812	0	0	0	0
Årets opskrivninger, netto	Revaluation current year, Net	13.875	0	0	0	0
Modtaget udbytte	Dividends received	-7.473	0	0	0	0
Valutakursregulering	Exchange rate adjustment	-8.533	0	0	0	0
Ultimo	End of the year	20.340	0	0	0	0
Af- og nedskrivninger:	Accumulated depreciations:					
Primo	At the beginning of the year	0	3.026	0	3.311	0
Valutakursregulering	Exchange rate adjustment	0	0	0	40	0
Årets af- og nedskrivninger	Depreciations of the year	**0**	0	0	212	0
Ultimo	End of the year	0	3.026	0	3.563	0
Bogført værdi ultimo	**Book value end of the year**	**100.018**	**0**	**410**	**438**	**410**

Kapitalandele i datterselskaber

Omfatter ejerandele i følgende selskaber, der er værdiansat efter indre værdis metode og som alle indgår ved konsolidering i koncernregnskabet:

Shares in subsidiaries

Includes ownership of shares in following subsidiaries, who are valued at equity value and all included in the Group consolidated accounts:

Navn / Name	Adresse / Address	Land / country	Ejerandel Ownership
Datterselskaber / Subsidiaries			
Kjær & Kjær A/S	Grønnemosevej 6, 5700 Svendborg	Denmark	100 %
Auto Trading A/S	Grønnemosevej 6, 5700 Svendborg	Denmark	100 %
Auto Trading Denmark A/S	Grønnemosevej 6, 5700 Svendborg	Denmark	100 %
Motorcare Africa A/S	Grønnemosevej 6, 5700 Svendborg	Denmark	100 %
Kjær & Kjær Invest Aps	Grønnemosevej 6, 5700 Svendborg	Denmark	100 %
Motorcare Africa Ltd.	Abbey House, Weybridge, Surrey, KT13 OTT	United Kingdom	100 %
Automotive Export Supplies Ltd.	Abbey House, Weybridge, Surrey, KT13 OTT	United Kingdom	100 %
Motorcare Uganda Ltd.	Plot 95 Jinja Road, PO Box 12704, Kampala	Uganda	83 %
Motorcare Lda.	Rua Paulino Dos Santos Gil No. 141, Maputo	Mozambique	100 %
Datter-Datter selskaber / Subsidiaries to subsidiaries			
Transmap Lda	Rua Paulino dos Santos Gil, Maputo	Mozambique	100 %
Motorcare (SL) Ltd	58C Lightfoot Boston Road, Freetown	Sierra Leone	100 %
Global Development Four (SL) Ltd.	58C Lightfoot Boston Road, Freetown	Sierra Leone	100 %
Kjaer & Kjaer US Inc.	11710 Plaza Dr., Washington	United States	100 %

DKK 1,000

Kapitalandele i associerede selskaber	Shares in associated comp.	Ejer-andel Owner-ship	Resultatandel før skat Share of profit before tax	Andel af skat Share of taxes	Andel af egenkapital Share of equity
Atlantic Motors SA, Mauritania		40 %	-208	0	438
-Tabsgodtgørelse/Reimbursement of loss			208	0	0
GD4 Global Development Four Ltd, United Kingdom			500	0	0
			500	**0**	**438**

6 Skat af årets ordinære resultat — Tax on current years ordinary profit

		Moder-selskab Parent company	Datter-selskaber Subsi-diaries	2003 Koncern Group	2002 Koncern Group
Skat af årets estimerede skattepligtige indkomst	Tax payable on the year's estimated tax assessment	-1.064	-9.769	-10.833	-7.480
Årets regulering i udskudt skat	The year's change in deferred tax	70	2.554	2.624	427
Regulering tidligere år	Adjustments previous years	461	-189	272	2.734
Skat på datterselskabsudbytter	Tax on dividends from subsidiaries	0	-622	-622	-2.009
		-533	**-8.026**	**-8.559**	**-6.328**

7 Immaterielle & materielle anlægsaktiver — Intangible & tangible fixed assets

Koncern / Group		Koncern Goodwill Group Goodwill	Grunde & bygninger Land & buildings	Maskiner & inventar Machinery & equipment	Firma- & leasebiler Company & lease cars
Anskaffelsessum:	Purchase value:				
Primo	At the beginning of the year	1.180	66.597	6.206	7.029
Valutakursregulering	Exchange rate adjustments	0	-4.134	198	2.542
Årets tilgange	Additions	0	5.696	1.518	8.446
Årets afgange	Disposals	0	0	-635	-5.255
Ultimo	End of the year	1.180	68.159	7.287	12.762
Akkumulerede afskrivninger:	Accumulated depreciations:				
Primo	At the beginning of the year	275	13.597	3.313	1.848
Valutakursregulering	Exchange rate adjustments	0	-623	70	850
Årets afskrivninger	Depreciation of the year	192	2.440	1.002	2.255
Afskrevet på solgte aktiver	Depreciated on sold assets	0	0	-308	-1.398
Ultimo	End of the year	467	15.414	4.077	3.555
Bogført værdi ultimo	**Book value end of the year**	**713**	**52.745**	**3.210**	**9.207**
Samlet kontantværdi for grunde og bygninger pr. 1. januar 2003.	Value of land and buildings estimated by tax authorities.		23.600		
Grunde og bygninger uden offentlig ejendomsvurdering.	Value of land and building without tax value assessment from Danish authorities.		20.218		

DKK 1,000

7 Materielle anlægsaktiver, fortsat / Tangible fixed assets, continued

Moderselskab / Parent company		Grunde & bygninger Land & buildings	Maskiner & inventar Machinery & equipment	Firma-biler Company cars
Anskaffelsessum:	Purchase value:			
Primo	At the beginning of the year	37.993	3.225	2.491
Årets tilgange	Additions	5.117	506	614
Årets afgange	Disposals	0	-104	-525
Ultimo	End of the year	43.110	3.627	2.580
Akkumulerede afskrivninger:	Accumulated depreciations:			
Primo	At the beginning of the year	9.587	2.062	932
Afskrevet på solgte aktiver	Depreciated on sold assets	0	0	-210
Årets afskrivninger	Depreciation of the year	996	350	399
Ultimo	End of the year	10.583	2.412	1.121
Bogført værdi ultimo	**Book value end of the year**	**32.527**	**1.215**	**1.459**
Samlet kontantværdi for grunde og bygninger pr. 1. januar 2003.	Value of land and buildings estimated by tax authorities	23.600		

8 Egenkapital / Equity

		Aktie kapital Share Capital	Provenue i alt Total Revenue
5 års ændringer i aktiekapitalen:	Last 5 years changes in share capital:		
Kapitalnedsættelse dec. 1998 ifm. Generationsskifte	Decrease in capital Dec 1998 cfr. generation change	-4.570	-10.465
Emission sept. 2000	Emission Sept. 2000	322	795
Emission dec. 2001	Emission Dec. 2001	403	1.412
Emission feb.2002	Emission Feb.2002	600	3.206
Emission nov. 2002	Emission Nov. 2002	326	1.312
Emission nov. 2003	Emission Nov. 2003	129	342
Emission dec. 2003	Emission Dec. 2003	540	3.598
		2.320	**10.665**
Aktiekapitalen ultimo er opdelt:	The share capital at end of year is split in:		
A - aktier	A shares	5.000	
B - aktier	B shares	7.750	
		12.750	

9 Minoritetsinteresser / Minority interests

		Koncern / Group 2003	2002
Saldo primo	Balance, beginning of the year	8.554	8.764
Valutakursregulering etc.	Exchange rate adjustments etc.	-1.005	-1.519
Køb af minoritetsandele	Purchase of minorities	-4.118	0
Udbytte til minoritetsandele	Dividends to minorities	0	-105
Årets resultatandel	Share of the year's net profit	421	1.414
		3.852	**8.554**

DKK 1,000

		Moderselskab Parent company		Koncern Group	
10 Hensættelse til udskudt skat	**Provision for deferred tax**	**Dec 2003**	**Dec 2002**	**Dec 2003**	**Dec 2002**
Saldo primo	Balance, beginning of the year	6.763	9.910	11.170	11.520
Regulering skat af tidligere år	Adjustment of tax previous years	3.071	0	3.071	0
Ændring af regnskabspraksis	Change of accounting principles	0	0	0	531
Overført fra -til skyldig skat	Transferred from -to tax payable	667	-1.364	667	2.910
Valutakursregulering etc.	Exchange rate adjustments etc.	-852	-714	-1.244	-1.412
Årets skat på moderselskabets udbytter fra datterselskaber	Current years tax on parent company's dividends from subsidiaries	-295	2.009	-295	2.009
Årets regulering i udskudt skat	The year's change in deferred tax	407	-178	-5.239	-427
Skat af årets kapitalreguleringer	Tax on the years Equity entries	-72	-166	-65	-1.227
Reg. af udskudt skat tidligere år	Adj. of deferred tax for previous years	-666	-2.734	-638	-2.734
		9.023	**6.763**	**7.427**	**11.170**

11 Ansvarlig lånekapital

I henhold til betingelserne i låneaftalerne er disse lån efterstillet alle andre nuværende og fremtidige ikke-ansvarlige lån i låntagende selskab.

Subordinated loans

According to conditions in the loans agreements these loans ranking after all other present and future non-subordinated debt of the borrower.

12 Langfristet gæld **Long termed liabilities**

		Ansvarlig lånekapital Subordinated loan	Prioritets-gæld Mortgage debt	Andre kreditinst. Other credit inst.	Anden gæld Other debt	Langfristet gæld ialt Total long termed debt
Koncern / Group						
Forfald senere end 5 år	Due after more than 5 years	1	3.386	9.715	0	**13.102**
Forfald fra 2 til 5 år	Due from 2 to 5 years	1.604	414	7.027	0	**9.045**
Forfald fra 1 til 2 år	Due from 1 to 2 years	3.424	138	3.694	0	**7.256**
		5.029	**3.938**	**20.436**	**0**	**29.403**
Næste års afdrag	Next years installments	**4.502**	**138**	**3.694**	**5.064**	**13.398**
Moderselskab / Parent company						
Forfald senere end 5 år	Due after more than 5 years	0	3.386	9.716	0	**13.102**
Forfald fra 2 til 5 år	Due from 2 to 5 years	0	414	1.956	0	**2.370**
Forfald fra 1 til 2 år	Due from 1 to 2 years	0	138	1.158	0	**1.296**
		0	**3.938**	**12.830**	**0**	**16.768**
Næste års afdrag	Next years installments	**0**	**138**	**1.158**	**0**	**1.296**

		Moderselskab Parent company		Koncern Group	
13 Skyldig selskabsskat	**Company tax payable**	**Dec 2003**	**Dec 2002**	**Dec 2003**	**Dec 2002**
Skyldig -tilgodehavende skat primo	Tax payable -receivable at beginning of year	-754	-831	1.763	5.614
Valutakursregulering etc.	Exchange rate adjustments etc.	0	0	-181	-799
Overført fra udskudt skat	Transferred from deferred tax	-667	1.364	-667	-2.910
Reg. af skattebet. for tidligere år	Adj. tax payments previous years	1.407	0	1.441	-1.252
Betalt i årets løb vedr. 2002, netto	Paid during the year regarding 2002, net	14	-533	-4.029	-5.455
Saldo vedr. tidligere år	Balance re. previous years	0	0	-1.673	-4.802
Skat af årets kapitalreguleringer	Tax on the years Equity entries	1.661	0	1.661	0
Skat af årets indkomst	Danish tax on the years profit	126	0	9.900	7.480
Betalt skat a'conto	Paid tax on account	-2.274	-754	-6.084	-815
Nettosaldo	**Net balance**	**-487**	**-754**	**3.804**	**1.863**
Opført som:	Reported as:				
Tilgodehavende skat	**Taxes receivable**	487	754	504	974
Skyldig skat	**Taxes payable**	0	0	4.308	2.837

DKK 1,000

14 Pantsætninger
Pawnings (in English)

Moderselskab og koncern (fælles) ***Parent company and group (common)***	**Tinglyst pant** ***Registered deed***	**Aktuel gæld** ***Actual liability***	**Bogført værdi af aktiver** ***Booked value of Assets***
I ejendommen Grønnemosevej 6, Svendborg er der stillet følgende pant: *In premises Grønnemosevej 6, Svendnorg the following pawnings have been made:*	See below	See below	24.945
Realkredit pantebrev *Mortgage deed*	6.000	5.744	See above
Ejerpantebrev og skadesløsbrev til sikkerhed for gæld i kreditinstitutter Mortgage deed and letter of indemnity in security for Debt in Credit institutions	28.850	12.584	See above
I alt sikkerhedsstillelser i Grønnemosevej 6, Svendborg (matr. Nr. 16D Sørup, Svendborg) Mortgage deed and letter of indemnity in security for Debt in Credit institutions	34.850	18.328	24.945
I udlejningsejendomme matrikel nummer 15 AS Svendborg markjorder, matrikel nummer 660 E Svendborg markjorder, Svendborg and matrikel nr. 38 KAR Svendborg markjorder er tinglyst prioritetsgæld. *In rental premises Title No. 15 AS Svendborg markjorder, in Title No. 660 E Svendborg markjorder and in Title no. 38 KAR Svendborg, Svendborg mortgage deed has been registered*	4.470	4.076	5.782

Der er ud over sikkerhedsstillelserne i ejendomme ikke afgivet pant i moderselskabets aktiver.
Apart from the pawnings in land and buildings, no other assets in the parent company serves as security for debt.

Koncern
Group

Motorcare Uganda Ltd.: Til sikkerhed for bankengagementer i Motorcare Uganda Ltd. er stillet ejerpantebrev med pant i selskabets ejendom beliggende Plot 95, Jinja Road, Kampala. *In security for bank lines in Motorcare Uganda Ltd. a Letter of mortgage has been issued in the company's premises on Plot 95, Jinja Road, Kampala.*	3.576	3.280	8.894
Endvidere har banken en særlig pantsætnings- erklæring med generelt pant i alle øvrige aktiver. *For same bank debt the company has issed Letter of Debenture in all fixed and floating assets belonging to the company.*	7.748	3.280	25.884
Motorcare Lda., Mozambique: Til sikkerhed for Motorcare Lda.'s, Mozambique's lån i andre kreditinstitutter stillet ejerpantebrev i selskabets ejendom Rua Paulino dos Santos Gil No. 141, Maputo. *In security for debt to other credit institutions in Motorcare Lda., Mozambique a Letter of mortgage has been issued in the company's premises on Rua Paulino dos Santos Gil No. 141, Maputo.*	11.622	5.803	11.074
Endvidere er afgivet et generelt pant i alle selskabets øvrige materialle aktiver. *The company has further issued first charge by way of pledge over all movable assets.*	11.622	5.803	29.740
Automotive Export Supplies Ltd. Til sikkerhed for bankengagementer i Automotive Export Supplies Ltd. er der afgivet en særlig pantsætningserklæring med generelt pant i alle øvrige aktiver. *In security for bank lines in Automotive Export Supplies Ltd. the company has issed Letter of Debenture in all fixed and floating asses belonging to the companny*	39.087	6.826	39.087
Lagre er endvidere underlagt leverandørs ejendomsforbehold. *Stocks are further under retention of title from supplier.*	21.164	9.275	21.164
Auto Trading Denmark A/S. Til sikkerhed for bankengagementer er givet transport i tilgodehavender. *In security for bank lines the company has assigned receivables*	70.109	44.126	70.109

DKK 1,000

15 Eventualforpligtelser
Contingent liabilities (in English)

En 3. part har rejst krav om rettighed til en ubebygget andel af en grund tilhørende en af koncernes oversøiske ejendomme. Ledelsen forventer ikke tab på dette sagsanliggende.
A 3rd party has claimed title to a piece of Land noy built on but belonging to the groups overseas property. The company does not expect any losses on this matter.

Efter overtagelse af udenlandsk datterselskab har kreditorer - der var ukendte på overtagelsestidspunktet - rejst krav mod selskabet. Ledelsen forventer ikke tab på dette sagsanliggende.
After take over of a foreign subsidiary creditors - who were unknown at the time of take over - have raised a against the company. The company does not expect any losses related on this matter.

På statusdagen udgør samlet beløb for løbende valuta- terterminsforretninger 17.331 t.DKK. I regnskabet er gevinster og tab indregnet efter statusdagens kurs.
At balance sheet date the total amount of forward exchange contracts are 17,331 t.DKK. Estimated profits and losses based on the balance sheet date's exchange rates are incorporated in Profit &

Selskabet har forpligtet sig til at tilbagekøbe 18% egne aktier fra medarbejdere til indre værdi over en 3 årig periode.
The company has committed to repurchase 18% own shares from employees at Equity value over a 3 year period.

Moderselskab ***Parent company***	**Aktuel gæld** **Actual debt**	**Maksimal forpligtelse** **Maximum liability**
Moderselskabet har kautioneret for bankgæld i datterselskaberne Kjær & Kjær A/S, Auto Trading A/S, Auto Trading Denmark A/S og Motorcare Africa A/S *The parent company has guaranteed for bank debt in the subsidiaries Kjær & Kjær A/S, Auto Trading A/S, Auto Trading Denmark A/S and Motorcare Africa A/S.*	125.699	240.000
Moderselskabet har kautioneret finansielle garantier stillet som sikkerhed for forpligtelser i Kjaer Group A/S, Kjær & Kjær A/S og Auto Trading A/S. *The parent company has guaranteed financial Letter of Guarantees issued in security for liabilities in the subsidiaries Kjær & Kjær A/S and Auto Trading A/S.*	509	70.000
På grundlag af fælles moms registrering hæfter selskabet for Kjær & Kjær A/S's, Auto Trading A/S's, Auto Tranding Denmark A/S's and Motorcare Africa A/S's samlede moms udestående. *On the basis of joint VAT registration the company is liable for Kjær & Kjær A/S's, Auto Trading A/S's, Auto Trading Denmark A/S's and Auto trading Africa's total outstanding VAT.*	0	ulimiteret *unlimited*
På grundlag af sambeskatning hæfter moderselskabet for sambeskattede datterselskabers skatteforpligtelser. *On the basis of joint taxation the parent company is liable for jointly taxed subsidiaries' tax liabilities.*	0	ulimiteret *unlimited*
Moderselskabet har udstedt kaution på ansvarligt lån i Motorcare Lda., Mozambique dækkende kun kommercielle (ikke politiske) risici. *The parent company has issued guarantee for subordinated loan in Motorcare Lda., Mozambique covering only commercial (non political) risks.*	2.000	2.000
Moderselskabet har udstedt kaution for gæld til andre kreditinstitutter i Motorcare Lda., Mozambique. *The parent company has guaranteed for debt to other credit institutions in Motorcare Lda., Mozambique.*	3.278	3.278
Moderselskabet har udstedt kaution for bankgæld i Motorcare (SL) Ltd. The parent company has issued guarantee for bank debt in Motorcare (SL) ltd.	62	1.788
Moderselskabet har udstedt kaution for forudbetaling fra kunder.i Motorcare (SL) ltd. *The parent company has issued guarantee for customer prepayment i Motorcare (SL) ltd.*	3.009	4.351
Moderselskabet har udstedt kaution for gæld til andre kreditinstitutter i Motorcare Uganda Ltd. *The parent company has guaranteed for debt to other credit institutions in Motorcare Uganda Ltd.*	1.028	1.967
Moderselskabet har udstedt kaution for bankgæld i Automotive Export Supplies Ltd. The parent company has issued guarantee for bank debt in Automotive Export Supllies Ltd.	14.267	27.427
Moderselskabets har udstedt kaution for leverandørgæld i Automotive Export Supplies Ltd. The parent company has issued guarantee for debt to suppliers in Automotive Export Supllies Ltd.	9.275	48.760

DKK 1,000

16 Nærtstående parter
Related parties

Kjaer Group A/S kontrolleres af selskabets administrerende direktør Mads Kjær gennem et privat investeringsselskab, der ejer 82% af selskabets aktier og 97% af stemmerettighederne:

The CEO Mads Kjær controls Kjaer Group through a private investment company, which owns 82% of the company's shares and 97% of the voting rights:

The Way Forward ApS
Grønnemosevej 6
DK 5700 Svendborg, Denmark

De øvrige aktier i Kjaer Group A/S ejes af medarbejdere i Kjaer Group A/S.

The remaining shares in Kjaer Group A/S are owned by the employees of Kjaer Group A/S.

The Way Forward ApS er det ultimative moderselskab.

The Way Forward ApS is the ultimative parent company.

Kapitalen i The Way Forward ApS ejes 100% af Mads Kjær personligt. Selskabet er et privat investeringsselskab for Mads Kjær's ikke-automotive aktiviteter. Der er ingen mellemværender eller hæftelser imellem The Way Forward ApS og Kjaer Group A/S. Bortset fra udbetaling af udbytte og huslejebetaling på 90 t.DKK har der ikke været transaktioner mellem selskaberne i det forløbne år.

The share capital in The Way Forward ApS is 100% owned by Mads Kjær personally. The company is a private investment company applied for Mads Kjær's non-automotive activities . There are neither receivables nor debts between The Way Forward Aps and Kjaer Group A/S. Apart from payment of Dividends and rent payment of 90 t.DKK there have been no transactions between the companies during the year.

Mads Kjær, Brovejen 1, 5700 Svendborg er direktør i Kjaer Group A/S og modtager herfor et vederlag, der er indeholdt i gager til direktionen jævnfør note 3, Personaleudgifter.

Mads Kjær, Brovejen 1, 5700 Svendborg is CEO of Kjaer Group A/S and receives a remuneration herefore, which is included in salaries to management according to note no.3, Staff expenses.

I gage til direktion under note 3 er endvidere indeholdt et vederlag til direktør Christian Kjær, Rantzausmindevej 95, 5700 Svendborg samt direktør Flemming Eltang, Herluf Trolles Vej 447, 5220 Odense SØ. I balancen er indeholdt en gæld til Christian Kjær, der forrentes på markedsmæssige vilkår.

Remuneration to director Christian Kjær, Rantzausmindevej 95, 5700 Svendborg and Flemming Eltang, Herluf Trolles Vej 447, 5220 Odense SØ are also included in salaries to management according to note no.3, Staff expenses. Current liabilities include a debt to Christian Kjær, which carries interests on arms length conditions.

Selskabet har 2 medarbejdervalgte bestyrelses-medlemmer der er ansat i selskabet på almindelige vilkår. Ingen bestyrelsesmedlemmer har andre væsentlige transaktioner med selskabet.

The company has 2 members on the board of directors elected by the employees. The employees are employed in the company under normal terms. No members of the board of directors have other significant transactions with the company.

Kjaer Group A/S ejer kapitalinteresser i dattervirksomheder jævnfør listen i note 5. Moderselskabet yder følgende services til datterselskaber:

a. Moderselskabet indkøber, finansierer og videresælger biler & motorcykler til koncernens distributionsselskaber i udviklingslande.
b. Teknisk, administrativ og ledelsesmæssig assistance til alle koncernens selskaber
c. Finansiering og garantistillelse
Koncernens danske selskaber kautionerer for hinanden indbyrdes. Bortset herfra er der ikke væsentlige transaktioner mellem datterselskaberne indbyrdes.

Kjaer Group owns shares in subsidiaries according to the list in note no.5. The parent company provides the following services to these subsidiaries:

a. The parent company purchase, finance and sell cars & motorcycles to the group's distribution companies in developing countries.
b. Technical, administrative and management assistance to all companies of the group.
c. Financing and providing of financial guarantees.
The Danish companies in the Group are guaranteeing financially for each other. Apart from this there are no significant transactions between the subsidiaries.

Alle koncerninterne ydelser afregnes på markedsmæssige vilkår og indgår i moderselskabets regnskab.

All Group internal services are settled according to market conditions and are included in the the parent company's accounts.

DKK 1,000

		Moderselskab Parent company		Koncern Group	
17 Honorar til generalforsamlingsvalgte revisorer	**Fee for auditor elected by the general meeting**	**Dec 2003**	**Dec 2002**	**Dec 2003**	**Dec 2002**
Honorar til Deloitte:	Fees to auditors:				
Revision	Audit	275	239	557	538
Andet	Other fees	130	37	169	105
		405	**276**	**726**	**643**

Anvendt regnskabspraksis

Årsrapporten er aflagt i overensstemmelse med årsregnskabsloven for store virksomheder i regnskabsklasse C samt almindeligt anerkendte regnskabsprincipper.

Regnskabspraksis er uændret i forhold til sidste år.

Generelt om indregning og måling
Aktiver indregnes i balancen, når det er sandsynligt, at fremtidige økonomiske fordele vil tilflyde selskabet, og aktivets værdi kan måles pålideligt.

Forpligtelser indregnes i balancen, når selskabet som følge af en tidligere begivenhed har en retlig eller faktisk forpligtelse og det er sandsynligt, at fremtidige økonomiske fordele vil fragå selskabet, og forpligtelsens værdi kan måles pålideligt.

Ved første indregning måles aktiver og forpligtelser til kostpris. Måling efter første indregning sker som beskrevet for hver enkelt regnskabspost nedenfor.

Ved indregning og måling tages hensyn til forudsigelige risici og tab, der fremkommer inden årsrapporten aflægges, og som be- eller afkræfter forhold, der eksisterede på balancedagen.

I resultatopgørelsen indregnes indtægter i takt med, at de indtjenes, mens omkostninger indregnes med de beløb, der vedrører regnskabsåret. Værdireguleringer af finansielle aktiver og forpligtelser indregnes i resultatopgørelsen som finansielle indtægter eller finansielle omkostninger.

Omregning af fremmed valuta
Transaktioner i fremmed valuta omregnes ved første indregning til transaktionsdagens kurs. Tilgodehavender, gæld og andre monetære poster i fremmed valuta, som ikke er afregnet på balancedagen, omregnes til balancedagens valutakurs. Valutakursdifferencer, der opstår mellem transaktionsdagens kurs og kursen på betalingsdagen henholdsvis balancedagens kurs, indregnes i resultatopgørelsen. Anlægsaktiver, der er købt i fremmed valuta, omregnes til historiske kurser. Tilsvarende måles varebeholdninger købt i fremmed valuta til historiske kurser.

Accounting policies

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C large enterprises and generally accepted accounting principles.

Accounting policies remain unchanged compared to last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is likely that future economic benefits will flow out of the company and the value of the liabilities 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 item.

Anticipated risks and losses that arise prior to the 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 Profit and loss account when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

Foreign currency translation
On initial recognition foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies, that have not been settled at the balance sheet date, are translated using the exchange rate at the balance sheet date. Exchange rate differences arising between the rate at the transaction date and the rate at the payment date or the balance sheet date, are recognised in the income statement. Fixed assets purchased in foreign currencies are translated using historical rates. Accordingly inventories are measured at the ruling rate of exchange at date of purchase.

Ved indregning af udenlandske datter- og associerede virksomheder, der er selvstændige enheder, omregnes resultatopgørelserne til årets gennemsnitlige valuta-kurser . Balanceposterne omregnes til balancedagens valutakurser.

On recognition of independent foreign subsidiaries and associates, the income statements of such enterprises are translated using the years average rates of exchange. Balance sheet items are translated using the exchange rates at the balance sheet date.

Kursdifferencer, opstået ved omregning af udenlandske dattervirksomheders egenkapital til balancedagens valutakurser, indregnes direkte på egenkapitalen.

Exchange differences arising out of the translation of foreign subsidiaries' equity to the exchange rates at the balance sheet date are recognised directly on equity.

Afledte finansielle instrumenter

Afledte finansielle instrumenter måles ved første indregning i balancen til kostpris, og efterfølgende til dagsværdi. Afledte finansielle instrumenter indregnes under andre tilgodehavender, henholdsvis anden gæld.

Derivative financial instruments

On initial recognition in the balance sheet derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Ændringer i dagsværdien af afledte finansielle instrumenter, der er klassificeret som og opfylder betingelserne for sikring af et indregnet aktiv eller en indregnet forpligtelse, indregnes i resultatopgørelsen sammen med ændringer i værdien af de sikrede aktiver eller forpligtelser.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging of a recognised asset or liability are recorded in the Profit and loss account together with changes in the value of the assets or the liabilities hedged.

For afledte finansielle instrumenter, som ikke opfylder betingelserne for behandling som sikringsinstrumenter, indregnes ændringer i dagsværdi løbende i resultatopgørelsen som finansielle poster.

For derivative financial instruments not complying with the requirements for treatment as hedging instruments, changes in fair value are recognised instantly in the Profit and loss account as financial income or financial expenses.

Ændringer i dagsværdier af afledte finansielle instrumenter, der er klassificeret som og opfylder betingelserne for sikring af fremtige transaktioner, indregnes i balancen og posteres direkte på egenkapitalen.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are entered in the balance sheet and recognised directly on the equity.

Ændringer i dagsværdien af afledte finansielle instrumenter, som anvendes til sikring af nettoinvesteringer i selvstændige udenlandske datter- eller associerede selskaber, indregnes direkte på egenkapitalen.

Changes in the fair value of derivative financial instruments, which serves the purpose of hedging net investments in independent foreign subsidiaries or associates are recognised directly on the Equity.

KONCERNREGNSKAB

Koncernregnskabet omfatter modervirksomheden og de tilknyttede virksomheder, som kontrolleres af modervirksomheden.

CONSOLIDATED ANNUAL REPORT

The consolidated annual report comprises the parent company and group enterprises controlled by the parent.

Konsolidering

Koncernregnskabet er udarbejdet på grundlag af regnskaber for dattervirksomhederne og moderselskabet ved sammenlægning af regnskabsposter af ensartet indhold og med eliminering af resultatandele fra datterselskaber, mellemværender mellem koncernselskaberne, koncerninterne renter og intern avance.

Consolidation

The consolidated financial statements have been prepared on the basis of the financial statements of the subsidiaries and the parent by combining uniform items and eliminating shares of profit in subsidiaries, intra-group accounts and intra-group interest and profit.

Regnskabspraksis er på de væsentligste poster ens for alle selskaber i koncernen.

For all main items the accounting policies are similar for all enterprises in the group.

I koncernregnskabet indregnes dattervirksomhedernes regnskabsposter i fuldt omfang. Minoritetsinteressernes forholdsmæssige andel af resultatet og nettoaktiverne præsenteres som særskilte poster i henholdsvis resultatopgørelsen og balancen.

Koncernens resultatopgørelse er således udtryk for koncernens drift som en samlet økonomisk enhed, ligesom koncernens status giver et samlet overblik over koncernselskabernes aktiver og gæld.

I moderselskabets årsregnskab er aktier og anparter i dattervirksomhederne værdiansat til indre værdi med tillæg af betalt goodwill, hvorfor egenkapitalen i moderselskabet er lig koncernens egenkapital.

Nytilkøbte virksomheder
Ved køb af nye virksomheder anvendes overtagelses-metoden, hvorefter de nytilkøbte virksomheders identificerbare aktiver og forpligtelser måles til dagsværdi på overtagelsestidspunktet. Der tages hensyn til skatteeffekten af de foretagne omvurderinger.

Positive/negative forskelsbeløb (goodwill/badwill) mellem kostprisen for den erhvervede kapitalandel og dagsværdien af de overtagne aktiver og forpligtelser indregnes under immaterielle anlægsaktiver/ periodeafgrænsningsposter og afskrives/indtægtsføres systematisk over resultatopgørelsen efter en individuel vurdering af brugstiden, dog maksimalt 20 år.

RESULTATOPGØRELSEN

Nettoomsætning
Nettoomsætningen omfatter periodens udfakturering på afsluttede leverancer og opgaver. Nettoomsætningen indregnes eksklusiv moms, afgifter og rabatter i forbindelse med salget.

Vareforbrug
Vareforbrug omfatter direkte og indirekte omkostninger der afholdes for at opnå nettoomsætningen.

Items from subsidiaries are recognised in full in the consolidated financial statements. Minority interests' pro rata share of profit/loss and the net assets are disclosed as a separate item in the Profit and loss account and the balance sheet, respectively.

The Profit and loss account is thus an expression of the overall operating activities of the group as an aggregate financial entity just as the status of the group provides a general overview of the assets and liabilities of the enterprises of the group.

In the annual report of the parent, assets and investments in subsidiaries are measured at equity value plus goodwill paid. The parent company equity is thus equal to the equity of the group.

Newly acquired enterprises
The purchase method is applied in the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Allowance is made for the tax effect of the restatements.

Positive/negative differences in amount (goodwill /badwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets /prereceived income, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years.

PROFIT AND LOSS ACCOUNT

Net turnover
Net revenue comprises the invoiced deliveries and completed projects of the period. Revenue is recognised net of VAT, duties and sales discounts.

Cost of goods sold
Cost of goods sold comprises direct and indirect costs incurred to earn revenue.

Afskrivninger
Afskrivninger på anlægsaktiver med begrænset brugstid er baseret på lineære afskrivninger over aktivernes forventede økonomiske og tekniske levetid, der som hovedregel fastsættes således:

	År
Koncern Goodwill	5
Ejendomme i Europa	50
Ejendomme i udviklingslande	20
Maskiner, inventar og firmabiler	5
Skulptur	20

Anskaffelser under t.DKK 25 per styk udgiftsføres i anskaffelsesåret.

Skat
Årets skat, som består af årets aktuelle skat og ændring af udskudt skat, indregnes i resultatopgørelsen med den del, der kan henføres til årets resultat. Såfremt posteringer foretaget direkte på egenkapitalen udløser ændring i selskabets skatteforpligtelser modregnes skatteeffekten heraf i egenkapitalposteringen.

Aktuelle skatteforpligtelser, henholdsvis tilgodehavende aktuel skat, indregnes i balancen opgjort som beregnet skat af årets skattepligtige indkomst, reguleret for betalt acontoskat.

Udskudt skat indregnes og måles efter den balance-orienterede gældsmetode af alle midlertidige forskelle mellem regnskabsmæssige og skattemæssige værdier af aktiver og forpligtelser. Den skattemæssige værdi af aktiverne opgøres med udgangspunkt i den planlagte anvendelse af det enkelte aktiv.

Udskudt skat måles på grundlag af de skatteregler og skattesatser i de respektive lande, der med balancedagens lovgivning påregnes at være gældende, når den udskudte skat forventes udløst som aktuel skat. Ændring i udskudt skat som følge af ændringer i skattesatser indregnes i resultatopgørelsen.

Udskudte skatteaktiver, herunder skatteværdien af fremførbare skattemæssige underskud, indregnes i balancen med den værdi, hvortil aktivet forventes at kunne realiseres, enten ved modregning i udskudte skatteforpligtelser eller som nettoskatteaktiver.

BALANCEN

Materielle og immaterielle anlægsaktiver
Anlægsaktiver med en begrænset brugstid optages som udgangspunkt til anskaffelsessummen med fradrag af foretagne afskrivninger.

Såfremt genindvindingsværdien er lavere end den regnskabsmæssige værdi foretages der nedskrivning.

Depreciation and amortisation
Depreciation of premises, plant and equipment with a limited useful life is carried out straight-line on the basis of the expected economic and technical lives of these assets which are generally determined as follows:

	Years
Consolidated goodwill	5
Premises in Europe	50
Premises in developing countries	20
Machinery, equipment and company cars	5
Art objects	20

Assets acuired at less than 25 t.DKK per item are recognised in the Profit & loss account in the year of acquisition.

Income taxes
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the Profit and loss account by the portion attributable to the profit/loss for the year. In the event that items recognised directly on equity result in changes to the tax liabilities of the company, the impact of such changes is set off when the entry is made on the equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax value of the assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax value of carrying forward tax losses, 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.

THE BALANCE SHEET

Tangible and intangible fixed assets
Fixed assets with limited service time are entered at cost price less depreciations.

In the event that the recoverable amount is lower than the carrying amount, the asset in question is written down.

Kapitalandele i datter- og associerede selskaber
Kapitalandele optages i balance efter den indre værdis metode således at værdiansættelse sker til koncernens andel af egenkapitalen i henhold til årsregnskaberne for datterselskaber og associerede selskaber med tillæg af uafskrevet bogført værdi af koncerngoodwill betalt ved anskaffelse.

Såfremt moderselskabets bogførte værdi af de samlede kapitalandele herefter overstiger de samlede anskaffelsessummer, posteres det overskydende beløb under en særskilt datterselskabsreserve i moderselselskabets egenkapital, der ikke kan anvendes til udlodning af udbytte.

I resultatopgørelsen indregnes moderselskabets andel af årets resultat i særskilte resultatposter for resultatandel i datterselskaber og i associerede selskaber opgjort før skat. Det indregnede resultat korrigeres for koncern intern avance og tab samt afskrivninger på koncerngoodwill. Andel af skatter i disse selskaber opføres i en separat skattepost i resultatopgørelsen.

Kapitalandele i dattervirksomheder og associerede virksomheder med negativ regnskabsmæssig indre værdi måles til nulværdi. Eventuelle tilgodehavender hos disse virksomheder nedskrives med moderselskabets andel af den negative indre værdi.

Såfremt en negativ regnskabsmæssig indre værdi af en kapitalandel overstiger øvrige koncernselskabers tilgodehavender i virksomheden indregnes det resterende beløb som forpligtelse. Dette gælder dog kun i det omfang, koncernens øvrige virksomheder har en retlig eller faktisk forpligtelse til at dække den pågældende virksomheds forpligtelser.

Investments in subsidiaries and assoc. companies
Investments in subsidiaries and associated companies are recognised in the balance sheet using the equity method. This means that in the balance sheet, investments are measured at the pro rata of the enterprises equity plus unamortised carrying amount of consolidated goodwill paid on acquisition.

In the event that the carrying amount of the total investments of the parent subsequently exceeds the total costs of these investments, any surplus amounts are entered as a separate subsidiary reserve under equity in the parent company, which can not be used for declaration of Dividends.

The parent´s share of profit/loss for the year in subsidiaries and associates is recognised in the Profit and loss account as separate items showing the results realised by subsidiaries and associates before tax. The result recognised is adjusted for intra-group profits and losses and amortisation of consolidated goodwill. Share of taxes in these companies is stated as a separate item under income taxes in the Profit and loss account.

Investments in subsidiaries and associated enterprises with a negative equity value are measured at zero value. Any receivables from these enterprises are written down by the negative equity value of the parent.

If the negative equity value exceeds the amount receivable, the remaining amount is recognised as a liability. This is, however, only the case to the extent that other enterprises in the group have a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Andre kapitalandele og værdipapirer
Andre kapitalandele værdiansættes til koncernens andel af selskabets egenkapital. Årets resultatandel indregnes i koncernens resultatopgørelse.

Øvrige værdipapirer optages til kostpris eller lavere kursværdi på statusdagen.

Varebeholdninger
Beholdningerne optages efter FIFO princippet til kostpris eller til lavere nettorealisationspris.

Tilgodehavender
Tilgodehavender måles til amortiseret kostpris, der sædvanligvis svarer til nominel værdi, med fradrag af nedskrivninger til imødegåelse af forventede tab.

Other investments and securities
Other investments are measured at the group´s share of the equity of the enterprise. The share of profit for the year is recognised in the income statement of the group.

Other securities are recorded at cost or market value at the balance sheet date, if lower.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

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

Egenkapital
Udbytte indregnes som en forpligtelse på tidspunktet for vedtagelse på generalforsamlingen. Det foreslåede udbytte for regnskabsåret vises som en særskilt post i egenkapitalen.

Equity
Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Finansielle forpligtelser
Finansielle forpligtelser indregnes til amortiseret kostpris, der sædvanligvis svarer til nominel værdi.

Financial liabilities
Financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

PENGESTRØMSOPGØRELSEN
Pengestrømsopgørelsen er opstillet efter den indirekte metode og viser pengestrømme fra drift, investeringer og finansiering samt selskabets likvider ved årets begyndelse og slutning.

THE CASHFLOW STATEMENT
The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the company's cash and cash equivalents at the beginning and the end of the financial year.

Pengestrømme fra driften opgøres som årets resultat reguleret for ikke-kontante driftsposter, ændring i driftskapitalen samt betalt selskabsskat.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Pengestrømme fra investeringstransaktioner omfatter køb og salg af anlægsaktiver.

Cash flows from investment transactions comprises the purchase and sale of property, plant and equipment.

Pengestrømme fra finansiering omfatter optagelse af og afdrag på langfristet gæld samt betaling af udbytte.

Cash flows from financing activities comprise raising and instalment on long-term debt and payment of dividend.

Likvider omfatter likvide beholdninger og værdipapirer med ubetydelig kursrisiko med fradrag af kortfristet bankgæld.

Cash and cash equivalents comprise cash and securities with insignificant price risk less short-term bank debt.

SEGMENTOPLYSNINGER
Der gives oplysninger på forretningsaktiviteter som er det primære segment. Segmentoplysningerne følger koncernens regnskabspraksis og interne økonomistyring.

SEGMENT INFORMATION
Disclosures are provided on business activities as the primary segment. The segmental disclosures comply with the group's accounting policies and internal financial management.

NØGLETAL
Nøgletal i 5 års oversigt, der er defineret i Den Danske Finansanalytikerforenings "Anbefalinger & Nøgletal 1997", er mærket * og udregnet i overensstemmelse med denne.

KEY FIGURES
Key figures in the 5 year overview, which are defined by The Danish Financial Analysts Association in its publication from 1997 are marked * and calculated in accordance with the recommendations.

Beregning af nøgletal:
Bruttomargin *
Bruttoresultat * 100 / Nettoomsætning

Overskudsgrad efter finans
Ordinært resultat før skat og min.int. *100 / Nettoomsætning

Afkastningsgrad
Resultat før renter og skat '*100 / Balancesum

Egenkapitalforrentning *
Årets resultat * 100 / Gns. Egenkapital ekskl. Min.interesser

Afkast af arbejdskapital
Årets resultat * 100 / Gns. Arbejdskapital

Egenkapitalandel *
Egenkapital ekskl. minoritetsinteresser *100 / Balancesum

Ansvarlig kapitalandel
Ansvarlig kapital ialt *100 / Balancesum

Finansiel gearing *
Rentebærende passiver * 100 / Egenkapital ekskl. min.int.

Gearing excl. ansvarlige lån
Rentebærende gæld ekskl. ansvarlige lån * 100 / Egenkapital ekskl. min.int.

Indre værdi af nom. 1000 DKK aktier *
Egenkapital ekskl. Min.int. / Antal aktier

Korrigeret indre værdi til aktiepris
Egenkapital - Udbytte & ureal. kursreg. i egenkap. / Antal aktier

Calculation of ratios:
Gross margin *
Gross profit * 100 / Net Turnover

Earnings to Turnover ratio
Earnings before tax & Minorities * 100 / Net Turnover

Earnings to Assets ratio
Earnings before interests & tax * 100 / Total assets

Earnings to Equity ratio *
Earnings after tax * 100 / Average equity excl. Minorities

Return on Capital Employed
Earnings after tax * 100 / Average Capital employed

Solidity ratio *
Total equity * 100 / Total assets

Solidity ratio on total capital base
Total Capital base * 100 / Total assets

Financial gearing *
Interest carrying debt * 100 / Equity excl. Min.int.

Gearing excl. Subordinated loans
Interest carrying debt excl. Subordinated loans * 100 / Equity excl. Min.int.

Equity value of nom. 1000 DKK shares *
Total Equity excl. Min.int. / number of shares

Adjust. Equity value for share pricing
Total Equity Dividends & unreal.exch.adj. in Equity / Number of shares

UN Global Compact & The Nine Principles

In October 2003 Kjaer Group joined the UN Global Compact Network.

Our motivation for joining this international and social network is that the nine principles on which the Global Compact is built, support our company's existing values and policies and the way we conduct business.

The purpose of The Global Compact is to bring together companies with UN agencies, labour and civil society to support its nine principles within the areas of Human Rights, Labour and Environmental standards.

The Global Compact is not a regulatory instrument. It does not "police", enforce or measure the behavior or actions of companies. Rather, the Global Compact relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based.

Further, we as Kjaer Group encourage our business relations such as customers, suppliers and investors to join the compact too, which will enable us all to learn and cooperate in this work.

You can find more information about The Global Compact on

www.kjaergroup.com
www.unglobalcompact.org

The Global Compact's nine principles enjoy universal consensus being derived from:

The Nine Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and
Principle 2: Make sure that they are not complicit in human rights abuses.

Labour standard

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: eliminate discrimination in respect of employment and occupation.

Environmental

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

MAKING A DIFFERENCE

INVESTOR IN PEOPLE

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