



Tel.: +45 39 15 52 00
koebenhavn@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

SOFTWAREONE DENMARK APS
BREGNERØDVEJ 144, 3460 BIRKERØD
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 2 April 2024**

Michael Nørklit Jensen

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Financial Highlights.....	7
Management Commentary.....	8
Financial Statements 1 January - 31 December	
Income Statement.....	9
Balance Sheet.....	10-11
Equity.....	12
Cash Flow Statement.....	13
Notes.....	14-17
Accounting Policies.....	18-21

COMPANY DETAILS

Company	SoftwareONE Denmark ApS Bregnerødvej 144 3460 Birkerød CVR No.: 12 51 08 96 Established: 3 October 1988 Municipality: Rudersdal Financial Year: 1 January - 31 December
Board of Directors	Michael Nørklit Jensen, chairman Barbara Corinna Weiten Una Keeshan
Executive Board	Michael Nørklit Jensen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Law Firm	DLA Piper Denmark Advokatpartnerselskab Rådhuspladsen 4 1550 Copenhagen
General Meeting	The Annual General Meeting is held on 2 April 2024.

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of SoftwareONE Denmark ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Rudersdal, 2 April 2024

Executive Board

Michael Nørklit Jensen

Board of Directors

Michael Nørklit Jensen
Chairman

Barbara Corinna Weiten

Una Keeshan

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of SoftwareONE Denmark ApS

Opinion

We have audited the Financial Statements of SoftwareONE Denmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Copenhagen, 2 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Søren Søndergaard Jensen
State Authorised Public Accountant
MNE no. mne32069

FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Income statement				
Gross profit/loss.....	38.866	28.767	22.092	17.707
Operating profit/loss before depreciation and amortisation (EBITDA).....	10.432	1.913	2.209	3.623
Operating profit/loss of main activities.....	9.722	1.240	1.634	3.110
Financial income and expenses, net.....	-361	-711	-407	-228
Profit/loss for the year before tax.....	9.361	529	1.226	2.882
Profit/loss for the year.....	7.400	-2.753	1.225	10.460
Balance sheet				
Total assets.....	106.777	94.802	64.665	50.652
Equity.....	19.372	11.972	14.463	13.238
Cash flows				
Cash flows from operating activities.....	-3.589	8.556	4.045	-418
Cash flows from investing activities.....	-195	-350	-559	-145
Cash flows from financing activities.....	0	-915	-6	563
Total cash flows.....	-3.784	7.291	3.480	0
Investment in property, plant and equipment.....	-193	-284	-559	-145
Average number of full-time employees.....	26	27	27	14
Key ratios				
Return on invested capital.....	104.0	16.2	13.0	0.0
Equity ratio.....	18.1	12.6	22.4	26.1
Return on equity.....	47.2	-20.8	8.8	130.6

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The activities of the company revolve around providing software and services tailored to enterprises and professional markets in Denmark. Our portfolio targets large international groups as well as mid-sized enterprises, offering solutions that facilitate comprehensive development and execution of commercial, technological, and digital transformation strategies

Assists clients in updating and modernizing their applications to meet contemporary standards and leverage the latest technologies.

Help organizations migrate critical workloads to public cloud platforms, enabling greater scalability, flexibility, and cost-efficiency.

In addition to migration, we offers services for managing and optimizing software and workloads on public clouds, ensuring efficient performance and resource utilization.

Security is a paramount concern in today's digital landscape. The company incorporates robust security measures into its solutions to safeguard clients' data and infrastructure from potential threats and vulnerabilities.

Our comprehensive services, we empowers clients to navigate the complexities of digital transformation confidently, enabling them to stay competitive and agile in their respective industries.

Recognition and measurement uncertainty

The management have capitalized a tax asset corresponding to DKK ('000) 5,706 corresponding to unused taxable loss of DKK ('000) 25,936. There is an uncertainty related to the value as this is based on budgets prepared for the period 2024-2026 prepared by the Group and it involves a high increase in revenue and profit. In order to avoid any impairment on the tax asset, the company needs to have a profit of DKK ('000) 25,936 in the coming years. The budgetted profit is the managements best estimate according to the current business plan.

Development in activities and financial and economic position

We foresee continued expansion and growth through both organic means and mergers and acquisitions, both locally and through leveraging regional and global synergies. Investment operations are conducted at a global level.

Profit/loss for the year compared to the expected development

Overall, our customers have embraced our services very well. As a result, we have achieved very solid results, with revenue increasing compared to the previous year. Our growth has been fueled by several key factors: the successful adoption of our service lines by end-users, expansion into new market segments, and improved operational efficiencies. These factors have allowed us to maintain our position at the forefront of our industry.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

Environmental situation

The Company is aiming for and planning to follow best practice on recycling and supporting sustainability, being responsible and ethical in how we conduct business having focus on diversity and make sure that inclusion is a big part of our conducted activities.

Future expectations

Building from the successful integration of our M&A activities, sets the stage for continued advancement. Anticipating continuity in key financial metrics high revenue growth, stable profitability, and strong cash flow generation, we are poised to capitalize on synergies and scale efficiencies. we set the Future expectations for the upcoming fiscal period with confidence, fortified by the seamless execution of our integration strategy. We expect a result before tax for 2024 between 60 - 70 million DKK.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		38.866.450	28.766.657
Staff costs.....	1	-28.434.605	-26.853.316
Depreciation, amortisation and impairment losses.....		-710.122	-673.348
OPERATING PROFIT		9.721.723	1.239.993
Other financial income.....	2	3.467.007	3.221.464
Other financial expenses.....	3	-3.827.677	-3.932.099
PROFIT BEFORE TAX		9.361.053	529.358
Tax on profit/loss for the year.....	4	-1.960.643	-3.282.667
PROFIT FOR THE YEAR	5	7.400.410	-2.753.309

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Intangible fixed assets acquired.....		309.665	681.263
Intangible assets.....	6	309.665	681.263
Other plant, machinery tools and equipment.....		410.151	555.792
Property, plant and equipment.....	7	410.151	555.792
Rent deposit and other receivables.....		215.502	213.340
Financial non-current assets.....	8	215.502	213.340
NON-CURRENT ASSETS.....		935.318	1.450.395
Trade receivables.....		81.761.907	63.102.666
Receivables from group enterprises.....		6.019.954	9.953.528
Deferred tax assets.....	9	5.705.970	7.536.693
Prepayments and accrued income.....	10	5.366.401	1.987.448
Receivables.....	11	98.854.232	82.580.335
Cash and cash equivalents.....		6.987.158	10.770.977
CURRENT ASSETS.....		105.841.390	93.351.312
ASSETS.....		106.776.708	94.801.707

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		500.000	500.000
Retained earnings.....		18.872.478	11.472.068
EQUITY.....		19.372.478	11.972.068
Trade payables.....		53.750.359	34.725.832
Debt to group enterprises.....		15.112.894	24.530.406
Corporation tax.....		0	3.361.285
Other liabilities.....		13.450.880	12.100.161
Deferred income.....	12	5.090.097	8.111.955
Current liabilities.....		87.404.230	82.829.639
LIABILITIES.....		87.404.230	82.829.639
EQUITY AND LIABILITIES.....		106.776.708	94.801.707
Related parties	13		
Information on significant uncertainties at recognition and measurement	14		
Consolidated Financial Statements	15		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2023.....	500.000	11.472.068	11.972.068
Proposed profit allocation, note5.....		7.400.410	7.400.410
Equity at 31 December 2023	500.000	18.872.478	19.372.478

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2023 DKK	2022 DKK
Profit/loss for the year.....	7.400.410	-2.753.309
Depreciation and amortisation, reversed.....	683.071	652.915
Reversed realization gains.....	27.051	20.433
Tax on profit/loss, reversed.....	1.960.643	3.282.667
Other adjustments.....	-129.919	78.612
Corporation tax paid.....	-3.361.285	-11.501
Change in receivables (ex tax).....	-18.104.620	-23.169.246
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	7.935.876	30.455.520
CASH FLOWS FROM OPERATING ACTIVITY.....	-3.588.773	8.556.091
Purchase of property, plant and equipment.....	-192.884	-283.836
Purchase of financial assets.....	-2.162	-66.182
CASH FLOWS FROM INVESTING ACTIVITY.....	-195.046	-350.018
Other changes in non-current debt.....	0	-1.177.707
Additions relating to merger.....	0	262.371
CASH FLOWS FROM FINANCING ACTIVITY.....	0	-915.336
CHANGE IN CASH AND CASH EQUIVALENTS.....	-3.783.819	7.290.737
Cash and cash equivalents at 1. januar.....	10.770.977	3.480.240
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	6.987.158	10.770.977
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	6.987.158	10.770.977
CASH AND CASH EQUIVALENTS.....	6.987.158	10.770.977

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	26	27	
Wages and salaries.....	25.155.335	24.550.149	
Pensions.....	1.389.802	1.203.483	
Social security costs.....	61.220	60.778	
Other staff costs.....	1.828.248	1.038.906	
	28.434.605	26.853.316	
Information on management remuneration is omitted in accordance with the exemption in the Danish Financial Statements Act, section 98 b, subsection. 3 no. 2.			
Other financial income			2
Group enterprises.....	277.713	20.735	
Other interest income.....	3.189.294	3.200.729	
	3.467.007	3.221.464	
Other financial expenses			3
Group enterprises.....	0	13.560	
Other interest expenses.....	3.827.677	3.918.539	
	3.827.677	3.932.099	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	0	3.282.667	
Adjustment of tax in previous years.....	129.920	0	
Adjustment of deferred tax.....	1.830.723	0	
	1.960.643	3.282.667	
Proposed distribution of profit			5
Retained earnings.....	7.400.410	-2.753.309	
	7.400.410	-2.753.309	

NOTES

		Note
Intangible assets		6
	Intangible fixed assets acquired	
Cost at 1 January 2023.....	1.858.000	
Cost at 31 December 2023.....	1.858.000	
Amortisation at 1 January 2023.....	1.176.734	
Amortisation for the year.....	371.601	
Amortisation at 31 December 2023.....	1.548.335	
Carrying amount at 31 December 2023.....	309.665	
 Property, plant and equipment		 7
	Other plant, machinery tools and equipment	
Cost at 1 January 2023.....	1.207.913	
Additions.....	192.884	
Disposals.....	-124.948	
Cost at 31 December 2023.....	1.275.849	
Depreciation and impairment losses at 1 January 2023.....	652.122	
Reversal of depreciation of assets disposed of.....	-97.897	
Depreciation for the year.....	311.473	
Depreciation and impairment losses at 31 December 2023.....	865.698	
Carrying amount at 31 December 2023.....	410.151	
 Financial non-current assets		 8
	Rent deposit and other receivables	
Cost at 1 January 2023.....	213.340	
Additions.....	2.162	
Cost at 31 December 2023.....	215.502	
Carrying amount at 31 December 2023.....	215.502	

NOTES

			Note
Deferred tax assets			9
Provision for deferred tax comprises deferred tax on intangible and tangible fixed assets, provision for bad debt and tax losses carry-forward.			
	2023	2022	
	DKK	DKK	
Deferred tax relates to:			
Intangible fixed assets acquired.....	902.830	1.948	
Other plant, machinery tools and equipment.....	76.424	34.509	
Provision for bad debts.....	6.783	236	
Tax losses for carry-forward.....	8.251.529	9.923.779	
Not recognised tax losses carry forward.....	-3.531.596	-2.423.779	
	5.705.970	7.536.693	
Deferred tax assets, beginning of year.....	7.536.693	7.536.693	
Deferred tax of the year, income statement.....	-1.830.723	0	
Deferred tax assets 31 December 2023.....	5.705.970	7.536.693	
The description of uncertainties regarding the deferred tax asset is described in note 13			
Prepayments and accrued income			10
Costs.....	5.366.401	1.987.448	
	5.366.401	1.987.448	
Receivables falling due after more than one year			11
Deferred tax.....	7.536.693	7.536.693	
	7.536.693	7.536.693	
Deferred income			12
Consists of deferred revenue regarding coming years.			
Related parties			13
The Company's related parties include:			
Controlling interest			
SoftwareONE AG, Riedenmatt 4, 6370 Stans, Switzerland, is the principal shareholder, which is also the parent preparing consolidated financial statements for the largest group.			
Transactions with related parties			
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.			

NOTES**Note****Information on significant uncertainties at recognition and measurement****14**

The management have capitalized a tax asset corresponding to DKK ('000) 5,706 corresponding to unused taxable loss of DKK ('000) 25,936. There is an uncertainty related to the value as this is based on budgets prepared for the period 2024-2026 prepared by the Group and it involves a high increase in revenue and profit. In order to avoid any impairment on the tax asset, the company needs to have a profit of DKK ('000) 25,936 in the coming five years. The budgetted profit is the managements best estimate according to the current business plan.

Consolidated Financial Statements**15**

Name and registered office of the Parent preparing consolidated financial statements for the largest group: SoftwareONE AG, Switzerland

ACCOUNTING POLICIES

The Annual Report of SoftwareONE Denmark ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company’s position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5	0%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.