
JYSK A/S

Sødalsparken 18, DK-8220 Brabrand

Annual Report for 1 September 2022 - 31 August 2023

CVR No. 13 59 04 00

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 18/1 2024

Jan Bøgh
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of JYSK A/S for the financial year 1 September 2022 - 31 August 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 August 2022 of the Company and of the results of the Company operations for 2021/22.

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

Aarhus, 18 January 2024

Executive Board

Rami Jensen
CEO

Signe Lind Jacobsen

Mikael Havndrup Nielsen

Board of Directors

Jan Bøgh
Chairman

Henrik Naundrup

Peter Dornonville de la Cour
Andsager

Niels Veien

Independent Auditor's report

To the shareholder of JYSK A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 August 2023 and of the results of the Company's operations for the financial year 1 September 2022 - 31 August 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of JYSK A/S for the financial year 1 September 2022 - 31 August 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus C, 18 January 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jens Weiersøe Jakobsen

State Authorised Public Accountant

mne30152

Henrik Berring Rasmussen

State Authorised Public Accountant

mne34157

Company information

The Company	JYSK A/S Sødalsparken 18 DK-8220 Brabrand Telephone: + 45 89 39 75 00 Website: www.jysk.com CVR No: 13 59 04 00 Financial period: 1 September 2022 - 31 August 2023 Municipality of reg. office: Aarhus
Board of Directors	Jan Bøgh, chairman Henrik Naundrup Peter Dornonville de la Cour Andsager Niels Veien
Executive Board	Rami Jensen Signe Lind Jacobsen Mikael Havndrup Nielsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Bankers	Nordjyske Bank A/S Torvet 4, Postboks 123 9400 Nørresundby Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 8000 Aarhus C

Financial Highlights

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

	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	5,925,711	5,978,188	5,750,238	5,152,010	4,446,156
Profit/loss of ordinary primary operations	292,236	404,483	522,229	409,456	178,900
Profit/loss before financial income and expenses	1,405,495	1,659,073	1,533,932	1,471,000	1,166,563
Profit/loss of financial income and expenses	-10,858	17,257	348	-10,576	-3,484
Net profit/loss	1,087,789	1,307,980	1,198,204	1,134,773	913,455
Balance sheet					
Balance sheet total	3,077,257	3,300,937	3,223,620	3,613,061	2,767,788
Investment in property, plant and equipment	46,123	141,294	74,358	52,328	267,408
Equity	2,113,788	2,333,979	2,224,203	2,151,753	1,901,829
Number of employees	2,035	2,145	2,040	1,707	1,571
Ratios					
Return on assets	45.7%	50.3%	47.6%	40.7%	42.1%
Solvency ratio	68.7%	70.7%	69.0%	59.6%	68.7%
Return on equity	48.9%	57.4%	54.8%	56.0%	96.1%

Management's review

Key activities

The principal activity of the Company is primarily retail and wholesale trade of everything for the bedroom, bathroom, living/dining room, curtains and garden furniture.

Our retail and wholesale activities are carried out from 111 stores in Denmark in addition to online sales, sales to fellow companies and franchise sales from the distribution centre in Uldum.

Development in the year

Revenue in JYSK A/S reached DKK 5.926 million compared to DKK 5.978 million in FY 2021/22. The improvement is attributable to increases in sales in existing stores, online sales, sales to fellow companies and in franchise sales.

Profit before financial income and expenses reached DKK 1.446 million compared to DKK 1.659 million last year.

Profit after tax for the year amounts to DKK 1.120 million.

Development expectations

JYSK A/S expects the 2023/24 profit to reach a level which is unchanged compared to 2022/23.

External environment

Environmental initiatives

JYSK A/S makes an effort to constantly reduce the environmental impact related to our activities. Energy efficient store fittings and lightning are used in connection with new openings and store renovations, where possible, and we moreover work on reducing the use of air conditioning.

JYSK A/S currently seeks to upgrade to efficient operation and minimise mileage through optimised route planning.

Intellectual capital resources

Through specific, customised training programmes and our own training centre, JYSK A/S continues to develop competent employees who are able to handle operational management in the Group's retail stores.

Statement of corporate social responsibility

The statement required under section 99(a) of the Danish Financial Statements Act are contained in the Consolidated Financial Statement of LLG A/S, CVR no. 86 00 15 19, which can be obtained at www.cvr.dk.

Management's review

Statement on gender composition

The Board of Directors consists of four male board members. The composition of Board of Directors is based on ensuring the right professional competences.

The goal for the gender composition for 2022/23 has not been reached, as the general assembly chose not to replace the current Board of Directors.

It is the ambition to have at least one female member of the Board of Directors before 2027.

At management levels (other than The Board of Directors), the gender composition is as mentioned below:

Total: 308

Women in percent: 33%

Men in percent: 67%

JYSK A/S strives to be an attractive workplace with equal opportunity for all employees. We will continue our work to further support the development towards equal gender representation at management levels throughout the organisation. To achieve that ambition, we will work actively with the Group Gender Equality Policy and Human Resource programs, while ensuring that recruitment is based on qualifications and competences.

Statement on data ethics

The statement required under section 99(d) of the Danish Financial Statements Act are contained in the Consolidated Financial Statement of LLG A/S, CVR no. 86 00 15 19, which can be obtained at www.cvr.dk.

Subsequent events

No material subsequent events have been identified.

Income statement 1 September 2022 - 31 August 2023

	Note	2022/23 TDKK	2021/22 TDKK
Revenue		5,925,711	5,978,188
Other operating income		1,113,672	1,255,102
Expenses for raw materials and consumables		-3,581,261	-3,583,964
Other external expenses		-902,352	-888,917
Gross profit		2,555,770	2,760,409
Staff expenses	1	-1,051,599	-1,007,117
Depreciation and impairment losses of property, plant and equipment	2	-98,263	-93,707
Other operating expenses		-413	-512
Profit/loss before financial income and expenses		1,405,495	1,659,073
Financial income	3	13,658	19,511
Financial expenses		-24,516	-2,254
Profit/loss before tax		1,394,637	1,676,330
Tax on profit/loss for the year	4	-306,848	-368,350
Net profit/loss for the year	5	1,087,789	1,307,980

Balance sheet 31 August 2023

Assets

	Note	2022/23 TDKK	2021/22 TDKK
Other fixtures and fittings, tools and equipment		105,027	129,909
Leasehold improvements		12,607	43,142
Property, plant and equipment in progress		67,847	132,860
Property, plant and equipment	6	<u>185,481</u>	<u>305,911</u>
Deposits	7	3,247	83,993
Fixed asset investments		<u>3,247</u>	<u>83,993</u>
Fixed assets		<u>188,728</u>	<u>389,904</u>
Finished goods and goods for resale		1,317,583	1,507,878
Inventories		<u>1,317,583</u>	<u>1,507,878</u>
Trade receivables		255,877	636,910
Receivables from group enterprises		1,184,941	10,320
Other receivables		2,664	649,560
Deferred tax asset	8	42,323	31,943
Prepayments	9	35,866	50,911
Receivables		<u>1,521,671</u>	<u>1,379,644</u>
Cash at bank and in hand		49,275	23,511
Current assets		<u>2,888,529</u>	<u>2,911,033</u>
Assets		<u>3,077,257</u>	<u>3,300,937</u>

Balance sheet 31 August 2023

Liabilities and equity

	Note	2022/23 TDKK	2021/22 TDKK
Share capital	10	500	500
Retained earnings		1,025,499	1,025,499
Proposed dividend for the year		1,087,789	1,307,980
Equity		2,113,788	2,333,979
Prepayments received from customers		39,692	24,339
Trade payables		335,122	369,850
Payables to group enterprises		10,104	20,884
Corporation tax		312,117	370,265
Other payables		262,620	176,966
Deferred income	11	3,814	4,654
Short-term debt		963,469	966,958
Debt		963,469	966,958
Liabilities and equity		3,077,257	3,300,937
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 September	500	1,025,499	1,307,980	2,333,979
Ordinary dividend paid	0	0	-1,307,980	-1,307,980
Net profit/loss for the year	0	0	1,087,789	1,087,789
Equity at 31 August	500	1,025,499	1,087,789	2,113,788

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK
1. Staff Expenses		
Wages and salaries	962,200	926,232
Pensions	72,788	63,474
Other social security expenses	16,611	17,411
	<u>1,051,599</u>	<u>1,007,117</u>
Including remuneration to the Executive Board	<u>40,502</u>	<u>33,368</u>
Average number of employees	<u>2,035</u>	<u>2,145</u>
	2022/23	2021/22
	TDKK	TDKK
2. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	98,263	93,707
	<u>98,263</u>	<u>93,707</u>
Which is specified as follows:		
Depreciation - Leasehold improvements	35,222	35,199
Depreciation - Other fixtures and fittings, tools and equipment	63,041	58,508
	<u>98,263</u>	<u>93,707</u>
	2022/23	2021/22
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	12,187	0
Other financial income	1,471	6,165
Exchange gains	0	13,346
	<u>13,658</u>	<u>19,511</u>

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK
4. Income tax expense		
Current tax for the year	317,228	375,398
Deferred tax for the year	-10,380	-7,048
	<u>306,848</u>	<u>368,350</u>

	2022/23	2021/22
	TDKK	TDKK
5. Profit allocation		
Proposed dividend for the year	1,087,789	1,307,980
Retained earnings	0	0
	<u>1,087,789</u>	<u>1,307,980</u>

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 September	659,877	208,094	132,860
Additions for the year	41,115	5,008	0
Disposals for the year	-27,267	-8,872	-65,013
Cost at 31 August	<u>673,725</u>	<u>204,230</u>	<u>67,847</u>
Impairment losses and depreciation at 1 September	529,970	164,952	0
Depreciation for the year	63,040	35,222	0
Reversal of impairment and depreciation of sold assets	-24,312	-8,551	0
Impairment losses and depreciation at 31 August	<u>568,698</u>	<u>191,623</u>	<u>0</u>
Carrying amount at 31 August	<u>105,027</u>	<u>12,607</u>	<u>67,847</u>
Depreciated over	<u>3-5 years</u>	<u>5 years</u>	

Notes to the Financial Statements

7. Other fixed asset investments

	Deposits TDKK
Cost at 1 September	83,993
Disposals for the year	-80,746
Cost at 31 August	<u>3,247</u>
Carrying amount at 31 August	<u>3,247</u>

	2022/23 TDKK	2021/22 TDKK
8. Deferred tax asset		
Deferred tax asset at 1 September	31,943	24,895
Amounts recognised in the income statement for the year	10,380	7,048
Deferred tax asset at 31 August	<u>42,323</u>	<u>31,943</u>
Property, plant and equipment	-35,276	-25,693
Inventories	-4,063	-2,916
Other	-2,984	-3,334
Transferred to deferred tax assets	42,323	31,943
	<u>0</u>	<u>0</u>

Deferred tax has been provided at 22% corresponding to the current tax rate.

Deferred tax asset

Calculated tax assets	<u>42,323</u>	<u>31,943</u>
Carrying amount	<u>42,323</u>	<u>31,943</u>

The recognised tax asset comprises property, plant and equipments expected to be utilised within the nearest future. In connection with the assessment of the utilisation of the tax asset, it is expected that the Company's profit will be increasing.

9. Prepayments

Prepayments primarily consist of prepaid expenses regarding rent, electricity and insurances etc.

Notes to the Financial Statements

10. Share capital

	<u>Number</u>	<u>Nominal value</u> TDKK
A-shares	50	50
B-shares	450	450
		<u>500</u>

There have been no changes in the share capital during the last 5 years.

11. Deferred income

Deferred income consists of payments received regarding gift vouchers and prepaid sales.

	<u>2022/23</u> TDKK	<u>2021/22</u> TDKK
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12. Contingent assets, liabilities and other financial obligations

Contingent assets

Warranties	4,849	4,849
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Rental and lease obligations

Tenancy commitments	2,227,517	2,396,258
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Other contingent liabilities

Letters of credit etc	19,307	10,112
Other contractual obligations	65,826	86,929

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of LLG A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

LLG A/S has entered a cash pool agreement for Lars Larsen Group. As of 31 August 2023, mDKK 0 have been drawn. As a participant in the cash pool arrangement, JYSK A/S has provided the credit institutions with a guarantee of payment as security for LLG A/S' obligations pursuant to the cash pool agreement.

Notes to the Financial Statements

13. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
LLG A/S	Controlling shareholder

Other related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
LLG A/S	Brabrand, Denmark

Notes to the Financial Statements

14. Accounting policies

The Annual Report of JYSK A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 are presented in TDKK.

Cash flow statement

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

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

In accordance with section 96(1) of the Danish Financial Statements Acts, disclosures on revenue broken down by business segments are not provided as the Company's Executive Board and Board of Directors assess that such disclosures would be very detrimental to the Company.

Expenses for raw materials and consumables

Cost of goods sold comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as administrative expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Parent Company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years
Trucks and passenger cars	4 years

The fixed assets' residual values are determined at nil.

Gains and losses from current replacement of property, plant and equipment are expensed in "Depreciation".

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Fixed asset investments consist of deposits and other investment.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

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