



## Troelstrup A/S

Vester Voldgade 5  
1552 København V  
CVR No. 21144797

## Annual report 01.12.2020 - 30.11.2021

The Annual General Meeting adopted the  
annual report on 10.03.2022

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**Claus Frederiksen**  
Conductor

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# Entity details

## Entity

Troelstrup A/S  
Vester Voldgade 5  
1552 København V

Business Registration No.: 21144797  
Registered office: Copenhagen  
Financial year: 01.12.2020 - 30.11.2021

## Board of Directors

Anne-Sofie Skov Frederiksen, Chairman of the Board  
Claus Frederiksen  
Cathrine Frederiksen

## Executive Board

Claus Frederiksen, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Troelstrup A/S for the financial year 01.12.2020 - 30.11.2021.

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 Entity's financial position at 30.11.2021 and of the results of its operations and cash flows for the financial year 01.12.2020 - 30.11.2021.

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

We recommend the annual report for adoption at the Annual General Meeting.

København, 10.03.2022

## Executive Board

**Claus Frederiksen**  
CEO

## Board of Directors

**Anne-Sofie Skov Frederiksen**  
Chairman of the Board

**Claus Frederiksen**

**Cathrine Frederiksen**

# Independent auditor's report

## To the shareholders of Troelstrup A/S

### Opinion

We have audited the financial statements of Troelstrup A/S for the financial year 01.12.2020 - 30.11.2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.11.2021 and of the results of its operations and cash flows for the financial year 01.12.2020 - 30.11.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity 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.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

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

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

København, 10.03.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Claus Jorch Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne33712

# Management commentary

## Primary activities

The company operates in menswear's retail business, including formal and casual wear and men's shoes.

The retail store on Vester Voldgade 5 in the center of Copenhagen consists of 4 floors spread over 1100 m<sup>2</sup> (11.840 ft<sup>2</sup>). The store's webshop, troelstrup.com, is operated from the same building. In addition, the stock and retail/financial management is located at the same address.

The retail store was closed due to Covid-19 lockdown restrictions from December 24th, 2020, to February 28th, 2021, which resulted in a decline in sales. To a certain degree, this was compensated by the webshop that has been available to customers 24/7. In addition, the company received wage compensation and fixed costs compensation from the Danish Business Authorities due to the Covid-19 pandemic.

The financial year's result was a profit of 2.006.011 DKK, after which equity amounts to 8.919.111 DKK. The positive result has been achieved by a combination of cost reductions, higher efficiency in sales, and a more streamlined operation.

Management considers Troelstrup's financial performance for the year satisfactory.

Q1 of Troelstrup's financial year 2021/22 started with a satisfactory December. However, the development in sales has been less satisfactory in January/ February 2022.

Management expects to further consolidate the business throughout 2022 and thereby achieve a moderate financial result fuelled by continued investments in sales activities, development in brand selection, and the store's webshop.

## Events after the balance sheet date

No events that would influence this annual report's evaluation have occurred after the balance sheet date to this date.



# Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
<b>Gross profit/loss</b>	1	<b>10,750,258</b>	<b>7,409,166</b>
Staff costs	2	(7,450,956)	(10,279,098)
Depreciation, amortisation and impairment losses	3	(565,090)	(770,977)
<b>Operating profit/loss</b>		<b>2,734,212</b>	<b>(3,640,909)</b>
Other financial income	4	51,929	82,319
Other financial expenses	5	(212,534)	(181,868)
<b>Profit/loss before tax</b>		<b>2,573,607</b>	<b>(3,740,458)</b>
Tax on profit/loss for the year	6	(567,596)	828,225
<b>Profit/loss for the year</b>		<b>2,006,011</b>	<b>(2,912,233)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		2,006,011	(2,912,233)
<b>Proposed distribution of profit and loss</b>		<b>2,006,011</b>	<b>(2,912,233)</b>

# Balance sheet at 30.11.2021

## Assets

	Notes	2020/21 DKK	2019/20 DKK
Completed development projects	8	231,527	314,404
Development projects in progress	8	122,500	0
<b>Intangible assets</b>	7	<b>354,027</b>	<b>314,404</b>
Other fixtures and fittings, tools and equipment		489,087	776,545
Leasehold improvements		354,059	496,173
<b>Property, plant and equipment</b>	9	<b>843,146</b>	<b>1,272,718</b>
Deposits		1,409,833	1,382,255
<b>Financial assets</b>	10	<b>1,409,833</b>	<b>1,382,255</b>
<b>Fixed assets</b>		<b>2,607,006</b>	<b>2,969,377</b>
Manufactured goods and goods for resale		10,101,674	11,874,319
<b>Inventories</b>		<b>10,101,674</b>	<b>11,874,319</b>
Trade receivables		705,066	605,993
Receivables from group enterprises		1,000,924	753,306
Deferred tax		1,127,147	1,694,743
Other receivables		194,303	436,249
Prepayments		370,951	315,147
<b>Receivables</b>		<b>3,398,391</b>	<b>3,805,438</b>
<b>Cash</b>		<b>3,731,624</b>	<b>23,544</b>
<b>Current assets</b>		<b>17,231,689</b>	<b>15,703,301</b>
<b>Assets</b>		<b>19,838,695</b>	<b>18,672,678</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020/21 DKK</b>	<b>2019/20 DKK</b>
Contributed capital	11	1,000,000	1,000,000
Reserve for development expenditure		275,937	0
Retained earnings		7,643,174	5,913,100
<b>Equity</b>		<b>8,919,111</b>	<b>6,913,100</b>
Other payables		762,871	751,596
<b>Non-current liabilities other than provisions</b>	<b>12</b>	<b>762,871</b>	<b>751,596</b>
Bank loans		0	508,215
Prepayments received from customers		20,880	28,160
Trade payables		974,105	393,359
Other payables	13	9,161,728	10,078,248
<b>Current liabilities other than provisions</b>		<b>10,156,713</b>	<b>11,007,982</b>
<b>Liabilities other than provisions</b>		<b>10,919,584</b>	<b>11,759,578</b>
<b>Equity and liabilities</b>		<b>19,838,695</b>	<b>18,672,678</b>
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Related parties with controlling interest	18		

# Statement of changes in equity for 2020/21

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	0	5,913,100	6,913,100
Transfer to reserves	0	275,937	(275,937)	0
Profit/loss for the year	0	0	2,006,011	2,006,011
<b>Equity end of year</b>	<b>1,000,000</b>	<b>275,937</b>	<b>7,643,174</b>	<b>8,919,111</b>

# Cash flow statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
Operating profit/loss		2,734,212	(3,640,909)
Amortisation, depreciation and impairment losses		565,090	770,977
Working capital changes	14	893,171	1,599,620
<b>Cash flow from ordinary operating activities</b>		<b>4,192,473</b>	<b>(1,270,312)</b>
Financial income received		51,929	82,319
Financial expenses paid		(212,534)	(181,869)
<b>Cash flows from operating activities</b>		<b>4,031,868</b>	<b>(1,369,862)</b>
Acquisition etc of intangible assets		(175,141)	(302,200)
Acquisition etc of property, plant and equipment		0	(300,434)
Sale of property, plant and equipment		0	30,000
Repayments received of paid deposits		0	429,783
Paid deposits		(27,578)	0
<b>Cash flows from investing activities</b>		<b>(202,719)</b>	<b>(142,851)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>3,829,149</b>	<b>(1,512,713)</b>
Loans raised		634,764	2,076,451
Incurrence of debt to group enterprises		(247,618)	(165,711)
<b>Cash flows from financing activities</b>		<b>387,146</b>	<b>1,910,740</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>4,216,295</b>	<b>398,027</b>
Cash and cash equivalents beginning of year		(484,671)	(882,698)
<b>Cash and cash equivalents end of year</b>		<b>3,731,624</b>	<b>(484,671)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		3,731,624	23,544
Short-term debt to banks		0	(508,215)
<b>Cash and cash equivalents end of year</b>		<b>3,731,624</b>	<b>(484,671)</b>

# Notes

## 1 Gross profit/loss

The Company have because of COVID-19 received wage compensation of DKK 536,991 (DKK 729,424 in 2019/20) and fixed cost compensation DKK 938,615 (DKK 928,723 in 2019/20) from the Danish Business Authority which is included in the gross profit for 2020/21.

## 2 Staff costs

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	7,030,870	9,972,556
Pension costs	462,254	664,978
Other social security costs	120,182	170,069
Other staff costs	(162,350)	(528,505)
	<b>7,450,956</b>	<b>10,279,098</b>
Average number of full-time employees	19	25

## 3 Depreciation, amortisation and impairment losses

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	135,519	125,469
Depreciation of property, plant and equipment	429,571	617,523
Profit/loss from sale of intangible assets and property, plant and equipment	0	27,985
	<b>565,090</b>	<b>770,977</b>

## 4 Other financial income

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	26,787	18,962
Exchange rate adjustments	25,142	63,355
Other financial income	0	2
	<b>51,929</b>	<b>82,319</b>

## 5 Other financial expenses

	2020/21 DKK	2019/20 DKK
Other interest expenses	151,168	158,842
Exchange rate adjustments	468	211
Other financial expenses	60,898	22,815
	<b>212,534</b>	<b>181,868</b>

## 6 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Change in deferred tax	567,596	(828,225)
	<b>567,596</b>	<b>(828,225)</b>

## 7 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	414,168	0
Transfers	31,392	(31,392)
Additions	21,250	153,892
<b>Cost end of year</b>	<b>466,810</b>	<b>122,500</b>
Amortisation and impairment losses beginning of year	(99,764)	0
Amortisation for the year	(135,519)	0
<b>Amortisation and impairment losses end of year</b>	<b>(235,283)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>231,527</b>	<b>122,500</b>

## 8 Development projects

Development projects in progress and completed development projects consist of external system developer expenses of the company's web shop.

## 9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,810,033	3,239,365
Disposals	(11,562)	(66,700)
<b>Cost end of year</b>	<b>2,798,471</b>	<b>3,172,665</b>
Depreciation and impairment losses beginning of year	(2,033,488)	(2,743,192)
Depreciation for the year	(287,457)	(142,114)
Reversal regarding disposals	11,561	66,700
<b>Depreciation and impairment losses end of year</b>	<b>(2,309,384)</b>	<b>(2,818,606)</b>
<b>Carrying amount end of year</b>	<b>489,087</b>	<b>354,059</b>

## 10 Financial assets

	Deposits DKK
Cost beginning of year	1,382,255
Additions	27,578
<b>Cost end of year</b>	<b>1,409,833</b>
<b>Carrying amount end of year</b>	<b>1,409,833</b>

## 11 Share capital

	Number	Nominal value DKK	Recorded par value DKK
Ordinary shares	1,000	1,000	1,000,000
	<b>1,000</b>	<b>1,000</b>	<b>1,000,000</b>

## 12 Non-current liabilities other than provisions

	Due after more than 12 months 2020/21 DKK
Other payables	762,871
	<b>762,871</b>

Non-current liabilities consists of frozen holiday pay which is not planned to be paid to the Holiday Allowance Fund.



**13 Other payables**

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK</b>	<b>DKK</b>
VAT and duties	2,814,552	2,003,781
Wages and salaries, personal income taxes, social security costs, etc payable	400,217	1,017,299
Holiday pay obligation	230,000	266,938
Other costs payable	5,716,959	6,790,230
	<b>9,161,728</b>	<b>10,078,248</b>

**14 Changes in working capital**

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	1,772,645	1,541,898
Increase/decrease in receivables	87,069	484,078
Increase/decrease in trade payables etc	(966,543)	(426,356)
	<b>893,171</b>	<b>1,599,620</b>

**15 Unrecognised rental and lease commitments**

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK</b>	<b>DKK</b>
Of this, liabilities under rental or lease agreements with group enterprises	1,350,252	1,350,252

**16 Contingent liabilities**

The Entity participates in a Danish joint taxation arrangement where C. Frederiksen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

**17 Assets charged and collateral**

The Entity does not have any assets charged and collateral per 30 November 2021.

**18 Related parties with controlling interest**

C. Frederiksen Holding ApS, Vester Voldgade 5, 1552 København V, owns all shares in the Entity and have controlling influence.

# Accounting policies

## Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

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

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

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

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

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

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

### Revenue

Revenue from the sale of manufactured goods is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for

premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

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

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot

be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

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

### **Property, plant and equipment**

Plant and machinery, and other fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

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

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	3 years

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

Estimated useful lives and residual values are reassessed annually.

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

### **Inventories**

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

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

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

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