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CVR no. 20 22 26 70

**AVAYA DENMARK APS**  
**ØRESTADS BOULEVARD 73, 2300 KØBENHAVN S**  
**ANNUAL REPORT**  
**1 OCTOBER 2022 - 30 SEPTEMBER 2023**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 19 April 2024**

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**Roland Arnoldus Cornelus**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 25 44 87 90**

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**COMPANY DETAILS**

<b>Company</b>	AVAYA DENMARK ApS Ørestads Boulevard 73 2300 Copenhagen S  Telephone: +45 70 27 99 01 Telefax: +45 70 27 99 02  CVR No.: 25 44 87 90 Established: 14 June 2000 Municipality: Copenhagen Financial Year: 1 October 2022 - 30 September 2023
<b>Board of Directors</b>	Roland Arnoldus Cornelus Van de Geer, chairman Julien Pierre Henry Hannequart
<b>Executive Board</b>	Roland Arnoldus Cornelus van de Geer
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Law Firm</b>	Plesner Amerika Plads 37 2100 Copenhagen

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of AVAYA DENMARK ApS for the financial year 1 October 2022 - 30 September 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 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 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.

Copenhagen, 19 April 2024

Executive Board

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Roland Arnoldus Cornelus van de Geer

Board of Directors

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Roland Arnoldus Cornelus Van de Geer  
Chairman

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Julien Pierre Henry Hannequart

## THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of AVAYA DENMARK ApS

### Conclusion

We have performed an extended review of the Financial Statements of AVAYA DENMARK ApS for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

### Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

## THE INDEPENDENT AUDITOR'S REPORT

### Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion 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 extended review 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 during the extended review, 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 in the Management Commentary.

Copenhagen, 19 April 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Brian Olsen Halling  
State Authorised Public Accountant  
MNE no. mne32094

## MANAGEMENT COMMENTARY

### Principal activities

Avaya is a leading global provider of next generation business collaboration and communications solutions, providing unified communications, realtime video collaboration, contact center, and related services to companies of all sizes around the world. Enterprises of all sizes depend on Avaya for state of the art communications that improve efficiency, collaboration, customer service and competitiveness.

Avaya works mainly in Education, Financial Services, Healthcare, State and Local Government, and Hospitality industry verticals. Avaya in the Nordics predominantly works through channel partners. The main partners in the region are Westcon (distributor), TDC / NetDesign and Jansson (Denmark), Tele2 (Sweden), Telia/Cygate (Sweden), NetNordic (acquired IPnett) and Atea (Norway).

### Unusual matters

#### *Change resulting from material misstatement*

During the year management has found that prior year figures related to revenue and accounts receivable was incorrectly stated. Revenue was overstated by DKK ('000) 859 and Accounts receivable was overstated by 859. Management believes the net impact of these adjustments are material to the understanding of the financial statements as the full impact is DKK ('000) 859, and DKK ('000) 670 less corporate income taxes. The adjustment has resulted in a decrease of the Equity brought forward of DKK ('000) 670.

### Development in activities and financial and economic position

The gross profit for the year totals DKK('000) 6,512 against DKK('000) 7,302 last year. Income or loss from ordinary activities after tax totals DKK('000) 1,019 against DKK('000) -31 last year.

Avaya continues to focus on innovation, openness and integration of solutions. Avaya is one of the leaders in the Contact Center and Unified Communications market and is an important player in the Cloud infrastructure market space with products that outperform well established competitors. There has been a significant focus on virtualization and cloud solutions which fits well into the Avaya strategy and roadmap.

The Company's business transitioned from historical Cap-Ex licensing model to a Subscription and Cloud model focus on software and services, and as a result of offers switch, revenue and cost associated reduction since total contract value will be dilutive along contract term. This change in business setup, has resulted in a significant impact of particularly accruals and deferrals related to revenue. This is as a direct result of changing the billing cycle, related to advance billings etc.

The Regional Headcount is expected to remain flat year over year.

### Significant events after the end of the financial year

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

### Future expectations

Avaya continues to operate in a highly competitive business environment with ongoing consolidation of communications vendors and customers. Enterprises are focusing on building an efficient and open communication infrastructure to support the business by enhancing communication and customer service while reducing costs. Industry growth is driven primarily by the transition to the Cloud.

Avaya is positioned for growth with strong offerings in the rapidly expanding areas of Contact Center solutions, enterprise mobility, collaboration and cloud offer's in midmarket and enterprise market. Avaya continues to invest in innovation to meet the demands of customers today and into the future. R&D investment is above the industry average, as we work closely with our customers and partners to shape the future of collaboration.

**INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER**

	Note	2022/23 DKK	2021/22 DKK
<b>GROSS PROFIT</b> .....		<b>6.512.109</b>	<b>7.301.779</b>
Staff costs.....	1	-5.797.310	-6.604.742
Depreciation, amortisation and impairment.....		-32.831	-39.431
<b>OPERATING PROFIT</b> .....		<b>681.968</b>	<b>657.606</b>
Other financial income.....		473.497	100.899
Other financial expenses.....		-234.745	-517.047
<b>PROFIT BEFORE TAX</b> .....		<b>920.720</b>	<b>241.458</b>
Tax on profit/loss for the year.....	2	-211.650	-83.815
<b>PROFIT FOR THE YEAR</b> .....		<b>709.070</b>	<b>157.643</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		709.070	157.643
<b>TOTAL</b> .....		<b>709.070</b>	<b>157.643</b>



## BALANCE SHEET AT 30 SEPTEMBER

ASSETS	Note	2023 DKK	2022 DKK
Other plants, machinery, tools and equipment.....		1.711	34.542
<b>Property, plant and equipment.....</b>	<b>3</b>	<b>1.711</b>	<b>34.542</b>
Rent deposit and other receivables.....		138.964	138.964
<b>Financial non-current assets.....</b>	<b>4</b>	<b>138.964</b>	<b>138.964</b>
<b>NON-CURRENT ASSETS.....</b>		<b>140.675</b>	<b>173.506</b>
Raw materials and consumables.....		21.493	36.382
<b>Inventories.....</b>		<b>21.493</b>	<b>36.382</b>
Trade receivables.....		6.164	89.268
Contract work in progress.....	5	340.819	459.461
Receivables from group enterprises.....		17.032.091	11.326.735
Deferred tax assets.....		62.262	57.562
Other receivables.....		41.962	15.906
Prepayments and accrued income.....		113.013	2.816.816
<b>Receivables.....</b>		<b>17.596.311</b>	<b>14.765.748</b>
<b>Cash and cash equivalents.....</b>		<b>773.410</b>	<b>6.455.088</b>
<b>CURRENT ASSETS.....</b>		<b>18.391.214</b>	<b>21.257.218</b>
<b>ASSETS.....</b>		<b>18.531.889</b>	<b>21.430.724</b>

**BALANCE SHEET AT 30 SEPTEMBER**

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		125.000	125.000
Retained profit.....		13.816.658	13.107.588
<b>EQUITY.....</b>		<b>13.941.658</b>	<b>13.232.588</b>
Corporation tax.....		219.623	59.742
<b>Non-current liabilities.....</b>	<b>6</b>	<b>219.623</b>	<b>59.742</b>
Prepayments received, contract work in progress .....	5	141.470	933.728
Trade payables.....		3.249.657	3.807.619
Payables to group enterprises.....		363.042	2.111.003
Corporation tax.....		56.061	79.167
Other liabilities.....		456.534	1.079.188
Accruals and deferred income.....		103.844	127.689
<b>Current liabilities.....</b>		<b>4.370.608</b>	<b>8.138.394</b>
<b>LIABILITIES.....</b>		<b>4.590.231</b>	<b>8.198.136</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>18.531.889</b>	<b>21.430.724</b>
 Contingencies etc.	 7		
Related parties	8		

## EQUITY

	Share capital	Retained profit	Total
Equity at 1 October 2022.....	125.000	13.777.889	13.902.889
Change of equity due to correction of errors.....		-670.301	-670.301
<b>Adjusted equity at 1 October 2022.....</b>	<b>125.000</b>	<b>13.107.588</b>	<b>13.232.588</b>
Proposed profit allocation.....		709.070	709.070
<b>Equity at 30 September 2023.....</b>	<b>125.000</b>	<b>13.816.658</b>	<b>13.941.658</b>

The share capital consists of 125 shares of DKK 1.000. Shares are not divided into classes.

The share capital has remained unchanged for the last 5 years.

## NOTES

	2022/23 DKK	2021/22 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of full time employees	4	5	
Wages and salaries.....	5.359.973	5.981.805	
Pensions.....	400.890	621.961	
Social security costs.....	36.447	976	
	<b>5.797.310</b>	<b>6.604.742</b>	
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	219.623	73.742	
Adjustment of tax for previous years.....	-3.273	21.110	
Adjustment of deferred tax.....	-4.700	-11.037	
	<b>211.650</b>	<b>83.815</b>	
<b>Property, plant and equipment</b>			<b>3</b>
		Other plants, machinery, tools and equipment	
Cost at 1 October 2022.....		1.829.040	
Disposals.....		-39.467	
Cost at 30 September 2023.....		<b>1.789.573</b>	
Depreciation and impairment losses at 1 October 2022.....		1.794.498	
Reversal of depreciation of assets disposed of.....		-39.467	
Depreciation for the year.....		32.831	
Depreciation and impairment losses at 30 September 2023.....		<b>1.787.862</b>	
Carrying amount at 30 September 2023.....		<b>1.711</b>	
<b>Financial non-current assets</b>			<b>4</b>
		Rent deposit and other receivables	
Cost at 1 October 2022.....		138.964	
Cost at 30 September 2023.....		<b>138.964</b>	
Carrying amount at 30 September 2023.....		<b>138.964</b>	

## NOTES

	2023 DKK	2022 DKK	Note
<b>Contract work in progress</b>			<b>5</b>
Sales value of completed work.....	328.697	1.101.972	
Progress invoicing/advances received.....	-129.348	-1.576.239	
<b>Contract work in progress, net.....</b>	<b>199.349</b>	<b>-474.267</b>	
The following is recognised:			
Contract work in progress (asset).....	340.819	459.461	
Contract work in progress (liability).....	-141.470	-933.728	
	<b>199.349</b>	<b>-474.267</b>	

**Long-term liabilities**

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	30/9 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	30/9 2022 total liabilities
Corporation tax.....	219.623	0	0	59.742
	<b>219.623</b>	<b>0</b>	<b>0</b>	<b>59.742</b>

**Contingencies etc.**

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**Contingent liabilities**

The company has made a lease commitment that has an interterminal period of 3 month. Total liability for payment of rent amounts to t.DKK 188.

**Related parties**

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**Consolidated financial statements**

The consolidated financial statements of ultimate parent company can be ordered at the following adress: Sierra Asia Pacific Inc, 211, Mount Airy Road, Basking Ridge, NJ 07920, USA.

## ACCOUNTING POLICIES

The annual report for Avaya Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Change resulting from material misstatement

During the year management has found that prior year figures related to revenue and accounts receivable was incorrectly stated. Revenue was overstated by DKK ('000) 859 and Accounts receivable was overstated by 859. Management believes the net impact of these adjustments are material to the understanding of the financial statements as the full impact is DKK ('000) 859, and DKK ('000) 670 less corporate income taxes. The adjustment has resulted in a decrease of the Equity brought forward of DKK ('000) 670.

## ACCOUNTING POLICIES

### Income statement

#### Gross profit

The company has decided to aggregate certain items of the Income Statement in accordance with the provisions of section 32 of the Danish Financial Statements Act.

Gross profit comprises the revenue other operating income and external costs.

#### Revenue

Income from contracts are recognised as revenue as production is carried out whereby revenue corresponds to the selling price of the work performed for the year.

Where services with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to the related costs and only to the extent that it is likely that they will be recovered.

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.

#### Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale

#### Other operating income

Other operating income comprise items of a secondary nature to the principal activity of the Company.

#### Other external expenses

Other external costs comprise costs incurred sales and administration.

#### Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

#### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

## ACCOUNTING POLICIES

### **Tax on net profit or loss of the year**

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity.

Current and deferred tax regarding changes in equity is recognised directly in equity.



## ACCOUNTING POLICIES

### Statement of financial position

#### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3 - 10 years	0 %

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

#### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

#### Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually 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 recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

#### Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

## ACCOUNTING POLICIES

### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts

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.

### Contract work in progress

Contract work in progress is measured at the selling price of the work performed less invoicing on account and expected losses.

The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred proportional to the estimated total costs of the individual contract.

When the selling price of a contract cannot be reliably determined, it is measured solely as costs incurred, or at the net realisable value, if this is lower.

Contracts are recognised as trade receivables if the selling price of the work performed exceeds the invoicing on account and expected losses. Contracts are recognised as liabilities if the invoicing on account and expected losses exceed the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

### Deferred income, assets

Deferred income recognised in assets comprises prepaid costs regarding subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

## ACCOUNTING POLICIES

### **Income tax and deferred tax**

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

### **Other liabilities**

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

### **Accruals and deferred income, equity and liabilities**

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.