



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Papier-Mettler Danmark A/S

Falstervej 7, 5800 Nyborg

Company reg. no. 26 60 34 47

Annual report

1 January - 31 December 2018

The annual report has been submitted and approved by the general meeting on the 11 April 2019.


Martin Michael Mettler
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



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Management's report

The board of directors and the managing director have today presented the annual report of Papier-Mettler Danmark A/S for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Nyborg, 29 March 2019

Managing Director

Michael Handke

Board of directors

Michael Handke

Wilhelm Werner Tiedemann

Martin Michael Mettler



Independent auditor's report

To the shareholders of Papier-Mettler Danmark A/S

Opinion

We have audited the annual accounts of Papier-Mettler Danmark A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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



Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.



Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 29 March 2019

Christensen Kjærulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant
mne10678



Company data

The company

Papier-Mettler Danmark A/S
Falstervej 7
5800 Nyborg

Company reg. no. 26 60 34 47
Established: 2 May 2002
Domicile: Nyborg
Financial year: 1 January - 31 December

Board of directors

Michael Handke
Wilhelm Werner Tiedemann
Martin Michael Mettler

Managing Director

Michael Handke

Auditors

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Store Kongensgade 68
1264 København K



Financial highlights

DKK in thousands.	2018	2017	2016	2015
Profit and loss account:				
Gross profit	8.788	8.795	9.327	12.360
Results from operating activities	4.629	4.167	2.514	4.179
Net financials	-34	-30	-103	-134
Results for the year	5.411	10.198	1.981	2.720
Balance sheet:				
Balance sheet sum	45.762	48.012	61.807	53.409
Investments in tangible fixed assets represent	451	0	0	0
Equity	35.628	30.217	50.020	43.232
Cash flow:				
Operating activities	-981	12.070	18.572	-6.366
Investment activities	-386	0	129	89
Financing activities	0	-30.000	0	0
Cash flow in total	-1.367	-17.930	18.701	-6.277
Employees:				
Average number of full time employees	4	4	8	10
Key figures in %:				
Acid test ratio	375,9	222,1	492,5	477,7
Solvency ratio	77,9	62,9	80,9	80,9
Return on equity	16,4	25,4	4,2	12,6

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.



Management's review

The principal activities of the company

The principal activities of the enterprise consist of distribution of paper and plastic packaging and related investment in enterprises in the packaging sector. The production takes place in group companies, whereas the sale of the group's products takes place from the subsidiaries, and from associated enterprises. Primarily, the products sold by the company are sold in Denmark.

Development in activities and financial matters

The gross profit for the year is DKK 8,8m against DKK 8,8m last year. The results from ordinary activities after tax are DKK 5,4m against DKK 10,2m last year.

Results for the year are satisfactory.

The tax expense for 2018 is an income of DKK 0,8m, due to capitalised tax deficit from previous years.

The expected development

The management expects a positive result for 2019.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.



Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	8.788.399	8.794.863
1 Staff costs	-2.887.507	-3.445.733
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.272.087	-1.181.906
Operating profit	4.628.805	4.167.224
Other financial income	48.505	61.310
2 Other financial costs	-82.060	-91.653
Results before tax	4.595.250	4.136.881
3 Tax on ordinary results	815.559	6.060.696
4 Results for the year	5.410.809	10.197.577



Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Assets		
Fixed assets		
5 Goodwill	3.430.000	4.420.000
Intangible fixed assets in total	<u>3.430.000</u>	<u>4.420.000</u>
6 Land and property	3.760.717	3.918.978
7 Other plants, operating assets, and fixtures and furniture	435.395	108.314
Tangible fixed assets in total	<u>4.196.112</u>	<u>4.027.292</u>
8 Deposits	41.600	41.600
Financial fixed assets in total	<u>41.600</u>	<u>41.600</u>
Fixed assets in total	<u>7.667.712</u>	<u>8.488.892</u>
Current assets		
Manufactured goods and trade goods	3.113.961	3.346.715
Inventories in total	<u>3.113.961</u>	<u>3.346.715</u>
Trade debtors	15.226.526	15.438.938
Amounts owed by group enterprises	0	440.000
9 Deferred tax assets	7.006.939	6.191.380
Other debtors	131	0
10 Accrued income and deferred expenses	9.646	11.058
Debtors in total	<u>22.243.242</u>	<u>22.081.376</u>
Available funds	<u>12.736.615</u>	<u>14.094.857</u>
Current assets in total	<u>38.093.818</u>	<u>39.522.948</u>
Assets in total	<u>45.761.530</u>	<u>48.011.840</u>



Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
11	Contributed capital	12.000.000	12.000.000
12	Results brought forward	23.628.110	18.217.301
	Equity in total	<u>35.628.110</u>	<u>30.217.301</u>
 Liabilities			
	Trade creditors	6.353.514	9.721.577
	Corporate tax	0	8.492
	Other debts	3.779.906	8.064.470
	Short-term liabilities in total	<u>10.133.420</u>	<u>17.794.539</u>
	Liabilities in total	<u>10.133.420</u>	<u>17.794.539</u>
	Equity and liabilities in total	<u>45.761.530</u>	<u>48.011.840</u>

14 Related parties



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Results brought forward</u>	<u>Proposed dividend for the financial year</u>	<u>In total</u>
Equity 1 January 2017	12.000.000	8.019.724	30.000.000	50.019.724
Distributed dividend	0	0	-30.000.000	-30.000.000
Profit or loss for the year brought forward	<u>0</u>	<u>10.197.577</u>	<u>0</u>	<u>10.197.577</u>
Equity 1 January 2018	12.000.000	18.217.301	0	30.217.301
Profit or loss for the year brought forward	<u>0</u>	<u>5.410.809</u>	<u>0</u>	<u>5.410.809</u>
	<u>12.000.000</u>	<u>23.628.110</u>	<u>0</u>	<u>35.628.110</u>



Cash flow statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Results for the year	5.410.809	10.197.577
15 Adjustments	425.083	-4.848.447
16 Change in working capital	<u>-6.766.180</u>	<u>8.023.228</u>
Cash flow from operating activities before net financials	-930.288	13.372.358
Interest received and similar amounts	2.623	8.330
Interest paid and similar amounts	<u>-44.610</u>	<u>-47.857</u>
Cash flow from ordinary activities	-972.275	13.332.831
Corporate tax paid	<u>-8.491</u>	<u>-1.262.481</u>
Cash flow from operating activities	<u>-980.766</u>	<u>12.070.350</u>
Purchase of tangible fixed assets	-450.907	0
Sale of tangible fixed assets	<u>65.000</u>	<u>0</u>
Cash flow from investment activities	<u>-385.907</u>	<u>0</u>
Dividend paid	<u>0</u>	<u>-30.000.000</u>
Cash flow from financing activities	<u>0</u>	<u>-30.000.000</u>
Changes in available funds	-1.366.673	-17.929.650
Available funds 1 January	14.094.857	32.015.323
Exchange rate adjustments (available funds)	<u>8.431</u>	<u>9.184</u>
Available funds 31 December	<u>12.736.615</u>	<u>14.094.857</u>
Available funds		
Available funds	<u>12.736.615</u>	<u>14.094.857</u>
Available funds 31 December	<u>12.736.615</u>	<u>14.094.857</u>



Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Salaries and wages	2.696.489	3.224.604
Pension costs	177.386	206.644
Other costs for social security	13.632	14.485
	<u>2.887.507</u>	<u>3.445.733</u>
Average number of employees	<u>4</u>	<u>4</u>
2. Other financial costs		
Other financial costs	<u>82.060</u>	<u>91.653</u>
	<u>82.060</u>	<u>91.653</u>
3. Tax on ordinary results		
Tax of the results for the year	1.277.188	0
Adjustment for the year of deferred tax	-2.092.747	-7.392.671
Adjustment of tax for previous years	0	3.067
Calculated addition	0	416
Tax due to the merger	0	1.328.492
	<u>-815.559</u>	<u>-6.060.696</u>
4. Proposed distribution of the results		
Allocated to results brought forward	<u>5.410.809</u>	<u>10.197.577</u>
Distribution in total	<u>5.410.809</u>	<u>10.197.577</u>



Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
5. Goodwill		
Cost 1 January	9.900.000	9.900.000
Cost 31 December	9.900.000	9.900.000
Amortisation and writedown 1 January	-5.480.000	-4.490.000
Amortisation for the year	-990.000	-990.000
Amortisation and writedown 31 December	-6.470.000	-5.480.000
Book value 31 December	3.430.000	4.420.000
6. Land and property		
Cost 1 January	3.571.193	3.571.193
Cost 31 December	3.571.193	3.571.193
Revaluation 1 January	1.262.689	1.262.689
Revaluation 31 December	1.262.689	1.262.689
Depreciation and writedown 1 January	-914.904	-756.643
Depreciation for the year	-158.261	-158.261
Depreciation and writedown 31 December	-1.073.165	-914.904
Book value 31 December	3.760.717	3.918.978
7. Other plants, operating assets, and fixtures and furniture		
Cost 1 January	556.445	556.445
Additions during the year	450.907	0
Disposals during the year	-220.000	0
Cost 31 December	787.352	556.445
Depreciation and writedown 1 January	-448.131	-414.486
Depreciation for the year	-123.826	-33.645
Depreciation, amortisation and writedown for the year, assets disposed of	220.000	0
Depreciation and writedown 31 December	-351.957	-448.131
Book value 31 December	435.395	108.314



Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
8. Deposits		
Cost 1 January	41.600	41.600
Cost 31 December	41.600	41.600
Book value 31 December	41.600	41.600
9. Deferred tax assets		
Deferred tax assets 1 January	6.191.380	-1.201.291
Deferred tax of the results for the year	815.559	7.392.671
	7.006.939	6.191.380
The following items are subject to deferred tax:		
Intangible fixed assets	794.828	577.028
Tangible fixed assets	162.111	114.352
Losses brought forward from previous years	6.050.000	5.500.000
	7.006.939	6.191.380
The basis for calculating deferred tax is adjusted to tDKK 7.007 based on an accounting estimate for the utilization of tax losses. Deferred tax is calculated by 22%. Of the deferred tax asset tDKK 4.840 is considered used more than one year from the balance date.		
10. Accrued income and deferred expenses		
Other prepayments Papier-Mettler Danmark A/S	9.646	11.058
	9.646	11.058
11. Contributed capital		
Contributed capital 1 January	12.000.000	12.000.000
	12.000.000	12.000.000
12. Results brought forward		
Results brought forward 1 January	18.217.301	8.019.724
Profit or loss for the year brought forward	5.410.809	10.197.577
	23.628.110	18.217.301



Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
13. Proposed dividend for the financial year		
Dividend 1 January	0	30.000.000
Distributed dividend	<u>0</u>	<u>-30.000.000</u>
	<u>0</u>	<u>0</u>

14. Related parties

Controlling interest

Papier-Mettler International GmbH

Majority shareholder

Other related parties

Martin Michael Mettler, 39, rue Andethana, 6970 Oberanven, Board member
Luxembourg

Michael Handke, Rapskamp 5, 28832 Achim, Germany

Board member

Wilhelm Werner Tiedemann, Am Kirschwäldchen 7,
54317 Gusterath, Germany

Board member

Transactions

All transactions have taken place on arm's-length basis.

Consolidated annual accounts

None of the company's parent companies present consolidated annual accounts.

	<u>2018</u>	<u>2017</u>
15. Adjustments		
Depreciation and amortisation	1.272.087	1.181.906
Profit from sale of fixed assets	-65.000	0
Other financial income	-48.505	-61.310
Other financial costs	82.060	91.653
Tax on ordinary results	<u>-815.559</u>	<u>-6.060.696</u>
	<u>425.083</u>	<u>-4.848.447</u>



Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
16. Change in working capital		
Change in inventories	232.754	12.184
Change in debtors	653.693	810.783
Change in trade creditors and other liabilities	<u>-7.652.627</u>	<u>7.200.261</u>
	<u>-6.766.180</u>	<u>8.023.228</u>



Accounting policies used

The annual report for Papier-Mettler Danmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- There is a binding sales agreement
- The sales price has been determined
- The payment has been received, or it can with reasonable assurance be expected to be received.



Accounting policies used

Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.



Accounting policies used

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	25 years	20 %
Technical plants and machinery	5 years	0-20 %
Other plants, operating assets, fixtures and furniture	3-10 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.



Accounting policies used

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at 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 receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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



Accounting policies used

The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.