
Power Stow A/S

Erhvervsparken 7, DK-4621 Gadstrup

Annual Report for 1 May 2022 - 30 April 2023

CVR No 27 49 47 22

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
4 /10 2023

Martin Vestergaard
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 Power Stow A/S for the financial year 1 May 2022 - 30 April 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 30 April 2023 of the Company and of the results of the Company operations for 2022/23.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Gadstrup, 4 October 2023

Executive Board

Henriette Holmberg Olsen
CEO

Board of Directors

Peter Thostrup
Chairman

Martin Vestergaard

Hanne Dorte Malherbes Jensen

Stig Holmegaard Thygesen

Anders Malherbes Vestergaard

Anne Clara Malherbes
Vestergaard

Hans Laustrop

Independent Auditor's Report

To the Shareholder of Power Stow A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2023 and of the results of the Company's operations for the financial year 1 May 2022 - 30 April 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Power Stow A/S for the financial year 1 May 2022 - 30 April 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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

Independent Auditor's Report

- 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.

Hellerup, 4 October 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob Fromm Christiansen

statsautoriseret revisor

mne18628

Kristian Højgaard Carlsen

statsautoriseret revisor

mne44112

Company Information

The Company

Power Stow A/S
Erhvervsparken 7
DK-4621 Gadstrup

CVR No: 27 49 47 22
Financial period: 1 May - 30 April
Municipality of reg. office: Roskilde

Board of Directors

Peter Thostrup, Chairman
Martin Vestergaard
Hanne Dorte Malherbes Jensen
Stig Holmegaard Thygesen
Anders Malherbes Vestergaard
Anne Clara Malherbes Vestergaard
Hans Laustrup

Executive Board

Henriette Holmberg Olsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Bankers

Spar Nord Bank A/S

Financial Highlights

Seen over a five-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					
Gross profit/loss	142,361	90,461	112,205	194,789	278,881
Profit/loss before financial income and expenses	81,218	48,276	74,372	135,149	220,681
Net financials	-9,139	1,555	-749	-957	-3,734
Net profit/loss for the year	56,398	38,577	57,848	104,676	171,405
Balance sheet					
Balance sheet total	247,870	167,619	128,976	140,995	260,708
Equity	179,043	115,680	83,437	25,589	70,913
Number of employees	83	61	59	92	95
Ratios					
Solvency ratio	72.2%	69.0%	64.7%	18.1%	27.2%
Return on equity	38.3%	38.7%	106.1%	216.9%	136.9%

Management's Review

Key activities

The activities include production and sales of cargo handling solutions for the aviation industry.

The solutions reduce the hard physical work and strain on luggage handlers. They also increase the speed and flexibility when loading and offloading bulk baggage and cargo.

Development in the year

The gross profit for the year is DKK 142.4 mio. against DKK 90.5 mio. last year. The results from ordinary activities after tax are DKK 56.5 mio. against DKK 38.6 mio. last year. The result is negatively affected by the development in exchange rates. Management considers the results satisfactory and in line with expectations.

Foreign exchange risks

Activities abroad cause earnings, cash flows and equity to be affected by the development in the exchange rate of several currencies, primarily USD. Management evaluates the risk and need for countermeasures on a regular basis.

Financial risks

The company is only to a limited extent affected by risks in the form of changes in prices, creditworthiness, liquidity and cash flows. When possible, long-term price agreements are made with significant suppliers.

Suppliers

The continued global shortage of especially electronics components have had a negative effect throughout the company's supplier network, but the problem have been declining at the end of the financial year. Where possible, the company tries to ensure alternative sources for key components. The company is working closely with its suppliers, to reduce any delays in the production.

Foreign branches

The Company has no foreign branches

Targets and expectations for the year ahead

The normalization of supply chains and general market conditions is providing a basis for a higher level of business activities. Management therefore expect an increase in both revenue and profit for the current financial period.

Management's Review

Research and development

All research and development activities are undertaken by the immediate parent company Power Stow International ApS.

External environment

The company's activities do not entail significant risks in relation to the environment. The company works with customers and partners in order to seek out new measures that can support a green transition. A constant focus on reducing the environmental impact by optimizing production processes and recycling waste products is a natural part of the Company's objectives for product quality and production conditions.

Intellectual capital resources

The Company's business includes the delivery of high-tech and reliable systems for handling luggage in aircraft cargo spaces and airports. In order to continuously deliver these solutions, it is vital that the Company can recruit and maintain employees with a high level of education.

Uncertainty relating to recognition and measurement

There are no uncertainties as to recognition or measurement.

Unusual events

The financial position of the Company at 30 April 2023 and the result for the financial year 1 May 2022 – 30 April 2023 have not been influenced by unusual events.

Subsequent events

There have been no events which materially affect the Annual Report, after the end of the financial year.

Income Statement 1 May - 30 April

	Note	2022/23 DKK	2021/22 DKK
Gross profit/loss		142,361,429	90,461,225
Staff expenses	2	-57,623,620	-38,807,393
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3,505,554	-3,378,063
Other operating expenses		-14,458	0
Profit/loss before financial income and expenses	1	81,217,797	48,275,769
Financial income	3	2,525,725	1,881,588
Financial expenses	4	-11,664,468	-326,797
Profit/loss before tax		72,079,054	49,830,560
Tax on profit/loss for the year	5	-15,681,038	-11,253,901
Net profit/loss for the year		56,398,016	38,576,659

Balance Sheet 30 April

Assets

	Note	2022/23 DKK	2021/22 DKK
Other fixtures and fittings, tools and equipment		42,688,322	19,273,216
Leasehold improvements		50,863	9,430
Property, plant and equipment	6	42,739,185	19,282,646
Deposits		2,120,069	1,605,200
Fixed asset investments	7	2,120,069	1,605,200
Fixed assets		44,859,254	20,887,846
Inventories	8	68,509,093	48,492,327
Trade receivables		28,063,841	4,486,846
Receivables from group enterprises		80,637,693	52,771,724
Other receivables		13,013,814	6,018,802
Deferred tax asset	11	0	654,998
Prepayments	9	2,543,808	2,306,438
Receivables		124,259,156	66,238,808
Cash at bank and in hand		10,242,482	32,000,077
Currents assets		203,010,731	146,731,212
Assets		247,869,985	167,619,058

Balance Sheet 30 April

Liabilities and equity

	Note	2022/23 DKK	2021/22 DKK
Share capital		3,000,000	3,000,000
Retained earnings		76,042,674	112,679,830
Proposed dividend for the year		100,000,000	0
Equity		179,042,674	115,679,830
Provision for deferred tax	11	3,020,628	0
Provisions		3,020,628	0
Deposits		2,376,312	876,506
Other payables		702,656	1,229,101
Long-term debt	12	3,078,968	2,105,607
Prepayments received from customers		8,232,008	3,598,780
Trade payables		35,517,062	25,183,768
Payables to group enterprises		0	1,950
Corporation tax		13,969,850	9,967,276
Other payables	12	5,008,795	11,081,847
Short-term debt		62,727,715	49,833,621
Debt		65,806,683	51,939,228
Liabilities and equity		247,869,985	167,619,058
Distribution of profit	10		
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Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 May	3,000,000	112,679,830	0	115,679,830
Fair value of hedging instruments, beginning of year	0	8,120,152	0	8,120,152
Fair value of hedging instruments, end of year	0	809,114	0	809,114
Tax on adjustment of hedging instruments for the year	0	-1,964,438	0	-1,964,438
Net profit/loss for the year	0	-43,601,984	100,000,000	56,398,016
Equity at 30 April	3,000,000	76,042,674	100,000,000	179,042,674

Notes to the Financial Statements

	2022/23 DKK	2021/22 DKK
1 Special items		
Compensation for fixed costs, Covid-19	0	3,390,566
	0	3,390,566
2 Staff expenses		
Wages and salaries	49,728,290	33,232,243
Pensions	6,514,488	4,574,510
Other social security expenses	674,200	474,910
Other staff expenses	706,642	525,730
	57,623,620	38,807,393
Including remuneration to the Executive Board and Board of Directors	3,815,987	2,274,794
Average number of employees	83	61
3 Financial income		
Interest received from group enterprises	2,366,991	701,118
Other financial income	158,734	1,180,470
	2,525,725	1,881,588
4 Financial expenses		
Other financial expenses	11,664,468	326,797
	11,664,468	326,797

Notes to the Financial Statements

	2022/23 DKK	2021/22 DKK
5 Tax on profit/loss for the year		
Current tax for the year	13,969,850	8,180,843
Deferred tax for the year	3,675,626	922,570
Adjustment of tax concerning previous years	0	364,055
	17,645,476	9,467,468
which breaks down as follows:		
Tax on profit/loss for the year	15,681,038	11,253,901
Tax on changes in equity	1,964,438	-1,786,433
	17,645,476	9,467,468

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Total DKK
Cost at 1 May	37,839,121	697,921	38,537,042
Additions for the year	26,904,768	57,325	26,962,093
Cost at 30 April	64,743,889	755,246	65,499,135
Impairment losses and depreciation at 1 May	18,565,905	688,491	19,254,396
Depreciation for the year	3,489,662	15,892	3,505,554
Impairment losses and depreciation at 30 April	22,055,567	704,383	22,759,950
Carrying amount at 30 April	42,688,322	50,863	42,739,185
Depreciated over	2-10 years	3 years	

Notes to the Financial Statements

7 Fixed asset investments

	Deposits DKK
Cost at 1 May	1,605,200
Additions for the year	514,869
Cost at 30 April	2,120,069
Carrying amount at 30 April	2,120,069

8 Inventories

	2022/23 DKK	2021/22 DKK
Raw materials and consumables	55,315,299	40,646,295
Work in progress	10,597,956	6,230,052
Finished goods and goods for resale	2,595,838	1,615,980
	68,509,093	48,492,327

9 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

10 Distribution of profit

Proposed dividend for the year	100,000,000	0
Retained earnings	-43,601,984	38,576,659
	56,398,016	38,576,659

11 Provision for deferred tax

Provision for deferred tax at 1 May	-654,998	208,865
Amounts recognised in the income statement for the year	1,711,188	2,709,003
Amounts recognised in equity for the year	1,964,438	-3,572,866
Provision for deferred tax at 30 April	3,020,628	-654,998

Notes to the Financial Statements

12 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2022/23 DKK	2021/22 DKK
Deposits		
Between 1 and 5 years	2,376,312	876,506
Long-term part	2,376,312	876,506
Within 1 year	0	0
	2,376,312	876,506
Other payables		
Between 1 and 5 years	702,656	1,229,101
Long-term part	702,656	1,229,101
Other short-term payables	5,008,795	11,081,847
	5,711,451	12,310,948

Notes to the Financial Statements

13 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The company has provided surety for Power Stow International ApS, for all debt to Spar Nord Bank A/S.

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 Martin Vestergaard Holding ApS, 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 un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no other contingent liabilities per 30 April 2023.

14 Related parties

Transactions

Related parties with controlling interest include the parent company Power Stow International ApS, Erhvervsparken 7, 4621 Gadstrup, Denmark, MV Invest ApS, Erhvervsparken 7, 4621 Gadstrup, Denmark, and ultimate parent Martin Vestergaard Holding ApS, Erhvervsparken 7, 4621 Gadstrup, Denmark.

Consolidated Financial Statements

The company is included in the consolidated financial statements of the parent company

Name	Place of registered office
Martin Vestergaard Holding ApS	Gadstrup, Denmark

Notes to the Financial Statements

15 Accounting Policies

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

The accounting policies applied remain unchanged from last year.

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

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 Martin Vestergaard Holding ApS, 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 and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 rates at the time when the receivable or the debt

Notes to the Financial Statements

15 Accounting Policies (continued)

arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income Statement

Revenue

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.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

15 Accounting Policies (continued)

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

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 intangible assets and 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 intangible assets and 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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

15 Accounting Policies (continued)

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 raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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	2-10	years
Leasehold improvements	3	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Fixed asset investments

Fixed asset investments consist of deposits.

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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Notes to the Financial Statements

15 Accounting Policies (continued)

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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. 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

15 Accounting Policies (continued)

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