

**Clextral A/S**  
Erhvervsparken 5  
4621 Gadstrup  
Central Business Registration No  
29601062

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 09.06.2017

### **Chairman of the General Meeting**

---

Name: Xavier Boivin

## Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2016	7
Balance sheet at 31.12.2016	8
Statement of changes in equity for 2016	10
Notes	11
Accounting policies	15

## Entity details

### Entity

Clextral A/S  
Erhvervsparken 5  
4621 Gadstrup

Central Business Registration No: 29601062

Founded: 24.05.2006

Registered in: Roskilde

Financial year: 01.01.2016 - 31.12.2016

### Board of Directors

Xavier Boivin, Chairman  
Georges Bernard Hallary  
David Souillat

### Executive Board

Henrik Pedersen, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Clextral A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Gadstrup, 09.06.2017

### Executive Board

Henrik Pedersen  
Chief Executive Officer

### Board of Directors

Xavier Boivin  
Chairman

Georges Bernard Hallary

David Souillat

# Independent auditor's report

## To the shareholder of Clextrol A/S

### Opinion

We have audited the financial statements of Clextrol A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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:

## Independent auditor's report

- 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.

## Independent auditor's report

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.

Copenhagen, 09.06.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Stine Eva Grothen

State Authorised Public Accountant

## Management commentary

### Primary activities

The Entity's activities comprise renovation and production of screws, worms, cylinders and other round, vital wearing parts.

### Development in activities and finances

Profit for the year before tax amounts to DKK 3,214 thousand, and profit for the year after tax amounts to DKK 2,502 thousand.

Management has decided to change the accounting policy on recognition and measurement of the Company's work in progress from measurement of the selling price including profits of the work carried out at the balance sheet date to measurement of the selling price at costs incurred on the work carried out at the balance sheet date. This policy is applied by the Clextral Group as well as the Company in its current reporting. Management assesses that the changed accounting policy gives a fairer presentation of the Company's financial position, results and cash flows. The change in accounting policy has affected the profit for the year positively by DKK 104 thousand and the equity negatively by DKK 81 thousand after tax; refer to the summary of accounting policies applied.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Gross profit</b>		<b>8.148.357</b>	<b>8.692.856</b>
Staff costs	1	(4.469.872)	(4.767.440)
Depreciation, amortisation and impairment losses	2	<u>(673.196)</u>	<u>(1.312.843)</u>
<b>Operating profit/loss</b>		<b>3.005.289</b>	<b>2.612.573</b>
Income from investments in group enterprises		255.309	256.030
Other financial expenses	3	<u>(46.797)</u>	<u>(97.861)</u>
<b>Profit/loss before tax</b>		<b>3.213.801</b>	<b>2.770.742</b>
Tax on profit/loss for the year	4	<u>(711.566)</u>	<u>(770.753)</u>
<b>Profit/loss for the year</b>		<b><u>2.502.235</u></b>	<b><u>1.999.989</u></b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		2.600.000	0
Transferred to reserve for net revaluation according to the equity method		255.309	256.030
Retained earnings		<u>(353.074)</u>	<u>1.743.959</u>
		<b><u>2.502.235</u></b>	<b><u>1.999.989</u></b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Goodwill		0	204.626
<b>Intangible assets</b>	5	<b>0</b>	<b>204.626</b>
Plant and machinery		82.926	547.751
Other fixtures and fittings, tools and equipment		51.528	41.879
Leasehold improvements		40.435	59.089
<b>Property, plant and equipment</b>	6	<b>174.889</b>	<b>648.719</b>
Investments in group enterprises		3.134.518	2.879.209
<b>Fixed asset investments</b>	7	<b>3.134.518</b>	<b>2.879.209</b>
<b>Fixed assets</b>		<b>3.309.407</b>	<b>3.732.554</b>
Raw materials and consumables		645.341	604.250
<b>Inventories</b>		<b>645.341</b>	<b>604.250</b>
Trade receivables		5.489.114	3.945.174
Contract work in progress		370.100	151.050
Deferred tax	8	75.452	14.823
Other receivables		732	0
Income tax receivable	9	267.772	0
Prepayments		176.997	34.939
<b>Receivables</b>		<b>6.380.167</b>	<b>4.145.986</b>
<b>Cash</b>		<b>2.384.932</b>	<b>4.754.074</b>
<b>Current assets</b>		<b>9.410.440</b>	<b>9.504.310</b>
<b>Assets</b>		<b>12.719.847</b>	<b>13.236.864</b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		500.000	500.000
Revaluation reserve		1.511.808	1.511.808
Reserve for net revaluation according to the equity method		1.569.980	1.314.671
Retained earnings		1.950.691	2.303.765
Proposed dividend		2.600.000	0
<b>Equity</b>		<b>8.132.479</b>	<b>5.630.244</b>
Trade payables		734.506	385.581
Payables to group enterprises		2.195.827	5.290.321
Income tax payable		0	140.964
Other payables		1.657.035	1.789.754
<b>Current liabilities other than provisions</b>		<b>4.587.368</b>	<b>7.606.620</b>
<b>Liabilities other than provisions</b>		<b>4.587.368</b>	<b>7.606.620</b>
<b>Equity and liabilities</b>		<b>12.719.847</b>	<b>13.236.864</b>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Mortgages and securities	12		
Group relations	13		

## Statement of changes in equity for 2016

	Contributed capital DKK	Revaluation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK
Equity beginning of year	500.000	1.511.808	1.314.671	2.384.506
Changes in accounting policies	0	0	0	(80.741)
<b>Adjusted equity, beginning of year</b>	<b>500.000</b>	<b>1.511.808</b>	<b>1.314.671</b>	<b>2.303.765</b>
Profit/loss for the year	0	0	255.309	(353.074)
<b>Equity end of year</b>	<b>500.000</b>	<b>1.511.808</b>	<b>1.569.980</b>	<b>1.950.691</b>
			Proposed dividend DKK	Total DKK
Equity beginning of year			0	5.710.985
Changes in accounting policies			0	(80.741)
<b>Adjusted equity, beginning of year</b>			<b>0</b>	<b>5.630.244</b>
Profit/loss for the year			2.600.000	2.502.235
<b>Equity end of year</b>			<b>2.600.000</b>	<b>8.132.479</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	3.783.330	4.159.182
Pension costs	479.370	419.744
Other social security costs	207.172	188.514
	<b>4.469.872</b>	<b>4.767.440</b>
Average number of employees	<b>11</b>	
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	204.626	686.159
Depreciation of property, plant and equipment	538.570	626.684
Profit/loss from sale of intangible assets and property, plant and equipment	(70.000)	0
	<b>673.196</b>	<b>1.312.843</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	17.426	40.837
Interest expenses	8.775	370
Exchange rate adjustments	15.947	44.847
Interest regarding tax paid on account	4.649	11.807
	<b>46.797</b>	<b>97.861</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Tax on profit/loss for the year</b>		
Tax on current year taxable income	784.014	886.760
Change in deferred tax for the year	(60.629)	(113.294)
Adjustment concerning previous years	(11.819)	(2.171)
Effect of changed tax rates	0	(542)
	<b>711.566</b>	<b>770.753</b>

## Notes

	<b>Goodwill DKK</b>
<b>5. Intangible assets</b>	
Cost beginning of year	12.108.029
<b>Cost end of year</b>	<b>12.108.029</b>
Amortisation and impairment losses beginning of year	(11.903.403)
Amortisation for the year	(204.626)
<b>Amortisation and impairment losses end of year</b>	<b>(12.108.029)</b>
<b>Carrying amount end of year</b>	<b>0</b>

	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>6. Property, plant and equipment</b>			
Cost beginning of year	7.313.162	885.432	709.012
Additions	0	64.740	0
Disposals	(1.397.778)	(732.137)	(549.003)
<b>Cost end of year</b>	<b>5.915.384</b>	<b>218.035</b>	<b>160.009</b>
Revaluations beginning of year	1.938.215	0	0
<b>Revaluations end of year</b>	<b>1.938.215</b>	<b>0</b>	<b>0</b>
Depreciation and impairment losses beginning of the year	(8.703.626)	(843.553)	(649.923)
Depreciation for the year	(464.825)	(40.053)	(18.654)
Reversal regarding disposals	1.397.778	717.099	549.003
<b>Depreciation and impairment losses end of the year</b>	<b>(7.770.673)</b>	<b>(166.507)</b>	<b>(119.574)</b>
<b>Carrying amount end of year</b>	<b>82.926</b>	<b>51.528</b>	<b>40.435</b>

## Notes

	<b>Investment s in group enterprises DKK</b>
<b>7. Fixed asset investments</b>	
Cost beginning of year	1.564.535
<b>Cost end of year</b>	<b>1.564.535</b>
Revaluations beginning of year	1.314.674
Share of profit/loss for the year	255.309
<b>Revaluations end of year</b>	<b>1.569.983</b>
<b>Carrying amount end of year</b>	<b>3.134.518</b>

### 8. Deferred tax

Deferred tax is incumbent upon intangible assets, property, plant and equipment, work in progress, etc.

### 9. Income tax receivable

Income tax receivable relates to joint taxation contribution receivable from subsidiary.

	<b>2016 DKK</b>	<b>2015 DKK</b>
<b>10. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>184</b>	<b>275</b>

Commitments under rental agreements or leases until expiry.

### 11. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

Corporate income tax payable of the Group amounts to DKK 277 thousand at the balance sheet date.

### 12. Mortgages and securities

The Company has deposited mortgage deeds registered to the mortgagor on plant and machinery. Mortgage debt is secured by way of deposited mortgage deeds registered to the mortgagor. The carrying amount of assets mortgaged is DKK 313 thousand.

## Notes

### **13. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Legris Industries Developpement, 20 Quai Duguay Trouin, 35 000 Rennes - France



## 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 certain provisions for reporting class C enterprises.

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

### Changes in accounting policies

The Company's accounting policy on recognition and measurement of work in progress has been changed from measurement of the selling price of the work carried out at the balance sheet date to measurement of the selling price at costs incurred.

The change in accounting policy has resulted in a positive adjustment of revenue of DKK 104 thousand in 2016, just as it has resulted in tax for the year of DKK 23 thousand after which profit for the year after tax has increased by DKK 81 thousand. Equity at the beginning of the year has been reduced by DKK 81 thousand. The comparative figures have been restated accordingly.

### 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.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Accounting policies

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, cost of sales and other external expenses.

#### Revenue

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

#### Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

#### 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 as well as social security contributions, pension contributions, etc for entity staff.

#### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

#### Other financial expenses

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

## Accounting policies

### 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 subsidiaries. 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

#### Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management. The amortisation period is estimated at 10 to 12 years, based on the entity having a strong market position and a strategical location.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Leasehold improvements are measured at cost less accumulated depreciation. The basis of depreciation is cost less estimated residual value after the end of useful life. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when the asset is ready to be put into operation. Maximum straight-line depreciation is made over the remaining lease period or over the estimated useful life.

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses and plus revaluation based on third party estimates.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Plant and machinery	11-13 years
Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	10 years

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

## Accounting policies

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables 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.

### Contract work in progress

Contract work in progress is measured at cost of the work carried out at the balance sheet date.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the cost price less prepayments received, is positive or negative.

### Deferred tax

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

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.

## Accounting policies

### **Income tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### **Other financial liabilities**

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