

**SUPERDRY RETAIL DENMARK A/S (UNDER TVANGSOPLØSNING)**

**EMDRUPVEJ 26, 1., 2100 KØBENHAVN Ø.**

**ANNUAL REPORT**

**1 MAY 2021 - 30 APRIL 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 3 February 2023**

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**Darren Jeffrey Cates**

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**COMPANY DETAILS**

<b>Company</b>	SUPERDRY RETAIL DENMARK A/S (Under tvangsopløsning) Emdrupvej 26, 1. 2100 Copenhagen Ø
	CVR No.: 29 81 35 82
	Established: 30 September 2008
	Municipality: Copenhagen
	Financial Year: 1 May 2021 - 30 April 2022
<b>Board of Directors</b>	Ruth Patricia Daniels, chairman Shaun Simon Wills Darren Jeffrey Cates
<b>Executive Board</b>	Darren Jeffrey Cates
<b>Auditor</b>	Deloitte Statsautoriseret Revisionspartnerselskab Dokken 8 6700 Esbjerg

## MANAGEMENT'S STATEMENT

*Today the Board of Directors and Executive Board have discussed and approved the Annual Report of SUPERDRY RETAIL DENMARK A/S (Under tvangsopløsning) for the financial year 1 May 2021 - 30 April 2022.*

*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 April 2022 and of the results of the Company's operations for the financial year 1 May 2021 - 30 April 2022.*

*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.*

Gloucestershire, 3 February 2023

Executive Board

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Darren Jeffrey Cates

Board of Directors

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Ruth Patricia Daniels  
Chairman

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Shaun Simon Wills

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Darren Jeffrey Cates

## THE INDEPENDENT AUDITOR'S REPORT

*To the Shareholder of SUPERDRY RETAIL DENMARK A/S (Under tvangsopløsning)*

### REPORT ON EXTENDED REVIEW OF THE FINANCIAL STATEMENTS

#### **Conclusion**

*We have performed an extended review of the Financial Statements of SUPERDRY RETAIL DENMARK A/S (Under tvangsopløsning) for the financial year 1 May 2021 - 30 April 2022, 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 April 2022 and of the results of the Company's operations for the financial year 1 May 2021 - 30 April 2022 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.*

#### **Statement on the Management Commentary**

*Management is responsible for the Management Commentary.*

## THE INDEPENDENT AUDITOR'S REPORT

*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.*

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### ***Violation of Danish Financial Statements Act legislation on the submission of annual report***

*The company has carried out the annual report for the period 1 May 2021 - 30 April 2022 late in relation to the provisions of the Danish Financial Statements Act § 138, whereby management may incur liability.*

Esbjerg, 3 February 2023

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56

Jes Rotbøl Primdahl  
State Authorised Public Accountant  
MNE no. mne42811

## MANAGEMENT COMMENTARY

### **Principal activities**

*The principal activities comprise is to operate retail shops.*

### **Development in activities and financial and economic position**

*There have been no changes to the company's areas of activity during the financial year.*

*The company's achieved profit for the year 2021/22 is DKK 2.411k. In 2020/21 the company had a profit of DKK 4,692k. The result for 2021/22 is considered satisfactory.*

*In the finans year Superdry Retail Denmark A/S merged with Superdry Nordic & Baltics A/S, SD1 ApS and SD 2 ApS (with Superdry Retail Denmark A/S as the surviving company). The comparative figures have not been restated as a result of using booked value method.*

### **Guarantee for capital**

*We, the undersigned Parent Company, Superdry Plc, company number 07063562, ultimate parent company for Superdry Retail Denmark A/S, CVR-nr. 29813582, hereby commit ourselves unconditionally by contributions - alternatively by waiver of claims or by infusion of capital - to secure the operations of the enterprise.*

*This Guarantee shall be in force until further notice and may be terminated at a coming Annual General Meeting of the Subsidiary to end on expiry of the following financial year.*

*Any contribution paid should be repayable through payment of excess available gains within the scope of Danish legislation. In case of liquidation of the enterprise, contributions cannot be paid out until all other creditors have been fully covered, however, before payment to the shareholders.*

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

*No events have occurred after the end of the financial year of material importance for the company's financial position.*

*In March 2020 the World Health Organization declared the global novel coronavirus disease 2019 (COVID-19) outbreak a pandemic, and the effect of this pandemic have had a huge impact on the results and financial condition of the Group and the Company. In addition, as of the date the financial statements were available to be issued, there is still uncertainty with respect long term impact.*

*The business is in compulsory dissolution but is being resolved.*

## INCOME STATEMENT 1 MAY - 30 APRIL

	Note	2021/22 DKK	2020/21 DKK
<b>GROSS PROFIT</b> .....	1	<b>22,791,545</b>	<b>14,872,087</b>
Staff costs.....	2	-14,307,948	-6,305,610
Depreciation, amortisation and impairment.....		-3,197,667	-2,047,259
<b>OPERATING PROFIT</b> .....		<b>5,285,930</b>	<b>6,519,218</b>
Other financial income.....	3	206,768	148,093
Other financial expenses.....	4	-2,369,343	-629,791
<b>PROFIT BEFORE TAX</b> .....		<b>3,123,355</b>	<b>6,037,520</b>
Tax on profit/loss for the year.....	5	-712,300	-1,345,791
<b>PROFIT FOR THE YEAR</b> .....		<b>2,411,055</b>	<b>4,691,729</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		2,411,055	4,691,729
<b>TOTAL</b> .....		<b>2,411,055</b>	<b>4,691,729</b>



## BALANCE SHEET AT 30 APRIL

ASSETS	Note	2022 DKK	2021 DKK
Intangible fixed assets acquired.....		4,485	0
<b>Intangible assets.....</b>	<b>6</b>	<b>4,485</b>	<b>0</b>
Other plant, machinery, tools and equipment.....		726,899	671,150
Leasehold improvements.....		1,042,189	2,849,391
<b>Property, plant and equipment.....</b>	<b>7</b>	<b>1,769,088</b>	<b>3,520,541</b>
Rent deposit and other receivables.....		4,877,201	4,083,509
<b>Financial non-current assets.....</b>	<b>8</b>	<b>4,877,201</b>	<b>4,083,509</b>
<b>NON-CURRENT ASSETS.....</b>		<b>6,650,774</b>	<b>7,604,050</b>
Finished goods and goods for resale.....		6,097,733	4,904,126
<b>Inventories.....</b>		<b>6,097,733</b>	<b>4,904,126</b>
Receivables from group enterprises.....		40,260,364	4,480,646
Deferred tax assets.....		2,391,671	2,448,372
Other receivables.....		12,015	228,017
Joint tax contribution receivable.....		0	1,171,485
Prepayments and accrued income.....		1,003,380	151,880
<b>Receivables.....</b>		<b>43,667,430</b>	<b>8,480,400</b>
<b>Cash and cash equivalents.....</b>		<b>2,564,248</b>	<b>1,811,835</b>
<b>CURRENT ASSETS.....</b>		<b>52,329,411</b>	<b>15,196,361</b>
<b>ASSETS.....</b>		<b>58,980,185</b>	<b>22,800,411</b>

## BALANCE SHEET AT 30 APRIL

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		1,000,100	1,000,000
Retained profit.....		18,058,106	-29,058,844
<b>EQUITY.....</b>		<b>19,058,206</b>	<b>-28,058,844</b>
Other provisions for liabilities.....		1,121,983	1,139,658
<b>PROVISIONS.....</b>		<b>1,121,983</b>	<b>1,139,658</b>
Corporation tax.....		651,288	546,528
<b>Non-current liabilities.....</b>	<b>9</b>	<b>651,288</b>	<b>546,528</b>
Trade payables.....		4,523,531	689,449
Payables to group enterprises.....		26,196,885	42,158,030
Corporation tax.....		1,194,074	0
Other liabilities.....		3,346,718	2,668,090
Accruals and deferred income.....		2,887,500	3,657,500
<b>Current liabilities.....</b>		<b>38,148,708</b>	<b>49,173,069</b>
<b>LIABILITIES.....</b>		<b>38,799,996</b>	<b>49,719,597</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>58,980,185</b>	<b>22,800,411</b>
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## EQUITY

	Share capital	Retained profit	Total
Equity at 1 May 2021.....	1,000,000	-29,058,844	-28,058,844
Proposed profit allocation.....		2,411,055	2,411,055
<b>Transactions with owners</b>			
Additions/disposals relating to equity by mergers and acquisitions	100	44,705,895	44,705,995
<b>Equity at 30 April 2022.....</b>	<b>1,000,100</b>	<b>18,058,106</b>	<b>19,058,206</b>

## NOTES

			Note
<b>Gross profit</b>			<b>1</b>
Gross profit comprise compensation received from COVID-19 aid packages for the Temporary compensation for salaries for employees and fixed costs established as a result of the outbreak and spread and COVID-19 in 2021 and 2022, with DKK 159k for salaries for employees and DKK 4,754k for the fixed costs aid packages.			
<b>Staff costs</b>			<b>2</b>
Average number of employees	32	22	
Wages and salaries.....	13,609,146	6,018,831	
Pensions.....	616,222	235,390	
Social security costs.....	73,781	51,049	
Other staff costs.....	8,799	340	
	<b>14,307,948</b>	<b>6,305,610</b>	
<b>Other financial income</b>			<b>3</b>
Group enterprises.....	206,768	148,093	
	<b>206,768</b>	<b>148,093</b>	
<b>Other financial expenses</b>			<b>4</b>
Group enterprises.....	2,352,382	592,789	
Other financial expenses.....	16,961	37,002	
	<b>2,369,343</b>	<b>629,791</b>	
<b>Tax on profit/loss for the year</b>			<b>5</b>
Calculated tax on taxable income of the year.....	651,288	546,528	
Adjustment of deferred tax.....	61,012	799,263	
	<b>712,300</b>	<b>1,345,791</b>	
<b>Intangible assets</b>			<b>6</b>
		Intangible fixed assets acquired	
Addition from mergers and acquisition of Company.....		1,122,965	
Cost at 30 April 2022.....		<b>1,122,965</b>	
Amortisation and impairment from mergers and acquisitions.....		1,118,480	
Amortisation at 30 April 2022.....		<b>1,118,480</b>	
Carrying amount at 30 April 2022.....		<b>4,485</b>	

## NOTES

				Note
<b>Property, plant and equipment</b>				<b>7</b>
		Other plant, machinery, tools and equipment	Leasehold improvements	
Cost at 1 May 2021.....	5,075,093		15,105,907	
Additions.....	17,206		0	
Addition from mergers and acquisition of Company.....	6,009,691		2,304,403	
Disposals.....	-4,968,881		0	
<b>Cost at 30 April 2022.....</b>	<b>6,133,109</b>		<b>17,410,310</b>	
Depreciation and impairment losses at 1 May 2021.....	-3,645,872		12,256,516	
Impairment losses.....	693,974		0	
Depreciation for the year.....	620,342		1,883,350	
Depreciation and impairment from mergers and acquisitions...	4,656,833		2,228,255	
<b>Depreciation and impairment losses at 30 April 2022.....</b>	<b>2,325,277</b>		<b>16,368,121</b>	
<b>Carrying amount at 30 April 2022.....</b>	<b>3,807,832</b>		<b>1,042,189</b>	
 <b>Financial non-current assets</b>				 <b>8</b>
			Rent deposit and other receivables	
Cost at 1 May 2021.....			4,083,509	
Additions.....			39,784	
Addition from mergers and acquisition of Company.....			753,908	
<b>Cost at 30 April 2022.....</b>			<b>4,877,201</b>	
<b>Carrying amount at 30 April 2022.....</b>			<b>4,877,201</b>	
 <b>Long-term liabilities</b>				 <b>9</b>
	30/4 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	30/4 2021 total liabilities
Corporation tax.....	1,845,362	1,194,074	0	546,528
	<b>1,845,362</b>	<b>1,194,074</b>	<b>0</b>	<b>546,528</b>

## NOTES

## Note

**Contingencies etc.**

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**Contingent liabilities**

The Entity has entered into lease of a property. The lease is interminable by the lessor until 31.01.2026, after which the period of notice is twelve months. The annual rent is DKK 7,983k and the rent is indexed annually.

For the other lease, the annual rent is based on revenue at 10% of gross revenue with a period of notice of 4 month. The annual rent is DKK 1,061k.

The Entity has entered into lease of a property. The lease is interminable by the lessor until 31.07.2024, after which the period of notice is twelve months. The annual rent is DKK 3,375k and the rent is indexed annually.

The Entity has entered into lease of a property. The annual rent is based on revenue at 10% of gross revenue with a period of notice of 4 month. The annual rent is DKK 0k.

**Charges and securities**

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Bank loans are secured by way of a deposited letter of indemnity for DKK 6,000k nominal, see § 37 of the Danish Registration of Property Act, in trade receivables, inventories, operating equipment and tools, etc. The carrying amount of the assets charged is DKK 1,774k at 30.04.2022.

**Uncertainty with respect to going concern**

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The going concern assumption is based on the receipt of a letter of comfort from group enterprise.

The letter of comfort has the following wording:

**Letter of comfort Superdry Retail Denmark A/S****Guarantee for capital**

We, the undersigned Parent Company, Superdry Plc, company number 07063562, owner of 100% of the shares in Superdry Retail Denmark A/S, CVR-nr. 29813582, hereby commit ourselves unconditionally by contributions - alternatively by waiver of claims or by infusion of capital - to secure the operations of the enterprise.

This Guarantee shall be in force until further notice and may be terminated at a coming Annual General Meeting of the Subsidiary to end on expiry of the following financial year.

Any contribution paid should be repayable through payment of excess available gains within the scope of Danish legislation. In case of liquidation of the enterprise, contributions cannot be paid out until all other creditors have been fully covered, however, before payment to the shareholders.

**NOTES****Note****Consolidated Financial Statements****13**

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

Superdry PLC, Gloucestershire, United Kingdom.

The group report for the foreign parent company can be ordered from the following address:

<https://corporate.superdry.com/media/3280/annual-report-and-accounts-fy22.pdf>

## ACCOUNTING POLICIES

*The Annual Report of SUPERDRY RETAIL DENMARK A/S (Under tvangsopløsning) for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.*

*The Annual Report is prepared consistently with the accounting principles used last year.*

### **Insufficient comparability**

*In the financial year Superdry Retail Denmark A/S merged with Superdry Nordic & Baltics A/S, SD1 ApS and SD 2 ApS (with Superdry Retail Denmark A/S as the surviving company). The comparative figures have not been restated as a result of using booked value method, why comparability to 2020/21 is insufficient.*

## INCOME STATEMENT

### **Gross profit or loss**

*Gross profit or loss comprises revenue, changes in inventories of goods for resale, cost of sales and external expenses.*

### **Net revenue**

*Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.*

*Where products with a high degree of individual adjustments 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 costs 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.*

### **Other operating income**

*Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.*

### **Cost of sales**

*Cost of sales comprise costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.*

### **Other external expenses**

*Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.*

### **Staff costs**

*Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.*

### **Financial income and expenses**

*Financial income and expenses include interest expenses also to group group enterprises, debt and transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial expenses are recognised in the income statement by the amounts that relate to the financial year.*



## ACCOUNTING POLICIES

### **Tax**

*The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.*

## ACCOUNTING POLICIES

### BALANCE SHEET

#### **Intangible fixed assets**

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

#### **Tangible fixed assets**

Production plant and machinery, other plants, fixtures and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plants, fixtures and equipment.....	3-5 years
Leasehold improvements.....	5-7 years

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### **Financial non-current assets**

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition (booked value), and by using the carrying amounts of the assets and liabilities acquired.

#### **Impairment of fixed assets**

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis 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 net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

## ACCOUNTING POLICIES

### **Inventories**

*Inventories are measured according to the weighted average cost. For practical reasons and unless there is a significant difference, the last purchase price is used. If the net realisable value is lower than cost, the inventories are written down to the lower value.*

*The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.*

### **Receivables**

*Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.*

### **Prepayments and accrued income**

*Accruals recognised as assets include costs incurred relating to the subsequent financial year.*

### **Cash and cash equivalents**

*Cash comprises cash in hand and bank deposits.*

### **Other provisions for liabilities**

*Other provisions for liabilities include the expected cost of reinstate rented premises.*

*The provision for liabilities is measured and recognised on the basis of experience.*

### **Tax payable and deferred tax**

*Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.*

*Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.*

*Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.*

### **Liabilities**

*Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs.*

*Amortised cost of current liabilities usually corresponds to nominal value.*

### **Accruals, liabilities**

*Accruals recognised as liabilities include payments received regarding income in subsequent years.*

## ACCOUNTING POLICIES

### ***Foreign currency translation***

*Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.*

*Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.*

*On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or writedown of the asset. The items of the income statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.*