



Nedschroef Langeskov ApS

Bytoften 6
5550 Langeskov
CVR No. 33208510

Annual report 2019

The Annual General Meeting adopted the
annual report on 31.08.2020

Morten Bjerre Bække

Chairman of the General Meeting

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Entity details

Entity

Nedschroef Langeskov ApS

Bytoften 6

5550 Langeskov

CVR No.: 33208510

Registered office: Kerteminde

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Jürgen Staritz

Brian Ranum Knudsen, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Executive Board have today considered and approved the annual report of Nedschroef Langeskov ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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.

Langeskov, 31.08.2020

Executive Board

Jürgen Staritz

Brian Ranum Knudsen
direktør

Independent auditor's report

To the shareholders of Nedschroef Langeskov ApS

Opinion

We have audited the financial statements of Nedschroef Langeskov ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019 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:

- 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.

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.

Odense, 31.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Heino Hyllested Tholsgaard

State Authorised Public Accountant
Identification No (MNE) mne34511

Management commentary

Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Key figures					
Gross profit/loss	48,077	50,634	54,008	46,632	42,216
Operating profit/loss	8,292	6,775	12,960	10,966	10,025
Net financials	(126)	(83)	(89)	28	(63)
Profit/loss for the year	6,359	5,163	10,026	8,484	7,839
Total assets	97,271	91,307	93,928	78,624	70,221
Investments in property, plant and equipment	3,832	7,068	6,943	3,925	3,268
Equity	52,638	46,279	41,116	31,090	33,800
Cash flows from (used in) operating activities	3,544	6,991	7,611	17,223	9,251
Cash flows from (used in) investing activities	(3,832)	(6,450)	(6,913)	(3,925)	(1,668)
Cash flows from (used in) financing activities	512	0	0	(13,137)	(7,777)
Ratios					
Return on equity (%)	12.86	11.82	27.77	26.15	26.20
Equity ratio (%)	54.11	50.69	43.77	39.54	48.13

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The company produces nuts for the automobile industry, and the entire production is sold to group companies. Sales are made according to the arm's length principle.

Core business is combi-, locknuts and special nuts.

Development in activities and finances

Revenue for 2019 was a little below budget as well as realized for 2018.

In general, the sale of vehicles is decreased in 2019 compared to 2018, also more than the company's decrease in revenue.

Management believes that the result for 2019, taking into account the market situation, is satisfying.

Outlook

The temporary shut downs of car factories world wide in the spring 2020, and the following uncertainties in both car industry and in general, as a consequence of Covid-19, expect to give a significant effect, on the annual report for 2020.

Expectations for 2020, is that the company will result in a decrease in revenue compared to 2019.

It is management's expectation, that the result for 2020, will be somewhat less than 2019, the expectation is a pre-tax result in a level of 5-7 mio. DKK.

There will be continuously focus on adjusting costs to the actual activity level, and seeking new opportunities for new orders and products, as a minimum to compensate for the phasing out of existing products from the current product portfolio.

Particular risks

The company depends on the trade conditions in the automobile industry.

Intellectual capital resources

As supplier of the automobile industry the company must live up to severe quality requirements and delivery times. The company has an IATF/16949 and EN/9100 certification which requires that each method and procedures are documented.

Through several years, the company has prepared education plans for each employee to secure a stable and wellqualified staff

Environmental performance

The company is environmentally certified per DS/EN ISO 14001:2015.

To control the environmental situation an environmental policy has been prepared.

Research and development activities

The development activities primary includes development of the core areas combi-, and locknuts together with improvement in th productivity and actions for implementation of new products with higher earning.

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. However, the company is in general affected by the economy and the developments in society, which is why the company's report will naturally be affected in 2020 by the outbreak of Covid-19. It is currently not possible to determine the extent of this.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		48,076,910	50,634,121
Staff costs	2	(36,624,673)	(40,994,340)
Depreciation, amortisation and impairment losses	3	(3,160,141)	(2,864,836)
Operating profit/loss		8,292,096	6,774,945
Other financial expenses	4	(125,853)	(82,873)
Profit/loss before tax		8,166,243	6,692,072
Tax on profit/loss for the year	5	(1,807,000)	(1,529,276)
Profit/loss for the year	6	6,359,243	5,162,796

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Acquired intangible assets		5,552	88,418
Intangible assets	7	5,552	88,418
Land and buildings		10,174,727	10,747,604
Plant and machinery		20,316,182	15,289,460
Other fixtures and fittings, tools and equipment		358,808	442,019
Property, plant and equipment in progress		4,876,933	8,492,550
Property, plant and equipment	8	35,726,650	34,971,633
Deposits		18,000	0
Other financial assets	9	18,000	0
Fixed assets		35,750,202	35,060,051
Raw materials and consumables		15,463,779	19,890,930
Work in progress		7,410,497	11,601,286
Prepayments for goods		0	142,144
Inventories		22,874,276	31,634,360
Trade receivables		114,680	194,952
Receivables from group enterprises		36,424,210	22,563,510
Other receivables		486,101	519,720
Prepayments	10	467,621	405,056
Receivables		37,492,612	23,683,238
Cash		1,153,656	929,714
Current assets		61,520,544	56,247,312
Assets		97,270,746	91,307,363

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	11	295,000	295,000
Retained earnings		52,343,354	45,984,111
Equity		52,638,354	46,279,111
Deferred tax	12	4,413,962	4,694,278
Provisions		4,413,962	4,694,278
Other payables	13	530,427	0
Non-current liabilities other than provisions	14	530,427	0
Trade payables		34,005,223	34,270,693
Payables to group enterprises		561,970	402,904
Income tax payable		1,003,093	546,031
Other payables	15	4,117,717	5,114,346
Current liabilities other than provisions		39,688,003	40,333,974
Liabilities other than provisions		40,218,430	40,333,974
Equity and liabilities		97,270,746	91,307,363
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
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Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	295,000	45,984,111	46,279,111
Profit/loss for the year	0	6,359,243	6,359,243
Equity end of year	295,000	52,343,354	52,638,354

Cash flow statement for 2019

	Notes	2019 DKK	2018 DKK
Operating profit/loss		8,292,096	6,774,945
Amortisation, depreciation and impairment losses		3,160,141	2,864,836
Working capital changes	16	(6,152,323)	(21,536)
Profit/loss from sale of property, plant and equipment		0	(15,807)
Cash flow from ordinary operating activities		5,299,914	9,602,438
Financial expenses paid		(124,946)	(82,873)
Income taxes refunded/(paid)		(1,631,161)	(2,528,509)
Cash flows from operating activities		3,543,807	6,991,056
Acquisition etc of property, plant and equipment		(3,832,292)	(7,067,685)
Sale of property, plant and equipment		0	617,843
Cash flows from investing activities		(3,832,292)	(6,449,842)
Provisions		(18,000)	0
Other payables		530,427	0
Cash flows from financing activities		512,427	0
Increase/decrease in cash and cash equivalents		223,942	541,214
Cash and cash equivalents beginning of year		929,714	388,500
Cash and cash equivalents end of year		1,153,656	929,714
Cash and cash equivalents at year-end are composed of:			
Cash		1,153,656	929,714
Cash and cash equivalents end of year		1,153,656	929,714

Notes

1 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. However, the company is in general affected by the economy and the developments in society, which is why the company's report will naturally be affected in 2020 by the outbreak of Covid-19. It is currently not possible to determine the extent of this.

2 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	32,898,103	36,925,731
Pension costs	2,590,690	2,816,280
Other staff costs	1,135,880	1,252,329
	36,624,673	40,994,340
Average number of full-time employees	72	77

Referring to section 98b of the Danish Financial Statements Act, no management fee is disclosed

3 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Amortisation of intangible assets	82,866	231,514
Depreciation of property, plant and equipment	3,077,275	2,633,322
	3,160,141	2,864,836

4 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	4,965	27,920
Other interest expenses	73,666	15,503
Other financial expenses	47,222	39,450
	125,853	82,873

5 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	2,087,331	1,622,031
Change in deferred tax	(280,316)	(136,428)
Adjustment concerning previous years	(15)	43,673
	1,807,000	1,529,276

6 Proposed distribution of profit and loss

	2019 DKK	2018 DKK
Retained earnings	6,359,243	5,162,796
	6,359,243	5,162,796

7 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	694,541
Cost end of year	694,541
Amortisation and impairment losses beginning of year	(606,123)
Amortisation for the year	(82,866)
Amortisation and impairment losses end of year	(688,989)
Carrying amount end of year	5,552

8 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	18,995,375	47,860,987	1,721,411	8,492,550
Additions	0	7,447,909	0	3,832,292
Disposals	0	0	0	(7,447,909)
Cost end of year	18,995,375	55,308,896	1,721,411	4,876,933
Depreciation and impairment losses beginning of year	(8,247,771)	(32,571,527)	(1,279,392)	0
Depreciation for the year	(572,877)	(2,421,187)	(83,211)	0
Depreciation and impairment losses end of year	(8,820,648)	(34,992,714)	(1,362,603)	0
Carrying amount end of year	10,174,727	20,316,182	358,808	4,876,933

9 Financial assets

Financial assets includes paid security deposit.

10 Prepayments

Prepayments and accrued income includes prepaid costs regarding pension, insurance premiums and subscriptions.

11 Share capital

	Number	Par value DKK	Nominal value DKK
Shares	295	1000	295,000
	295		295,000

12 Deferred tax

	2019 DKK	2018 DKK
Intangible assets	1,221	19,452
Property, plant and equipment	3,498,668	3,445,229
Inventories	914,073	1,229,597
Deferred tax	4,413,962	4,694,278

Changes during the year	2019 DKK	2018 DKK
Beginning of year	4,694,278	4,830,706
Recognised in the income statement	(280,316)	(136,428)
End of year	4,413,962	4,694,278

13 Other payables

	2019 DKK	2018 DKK
Holiday pay obligation	530,427	0
	530,427	0

14 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Other payables	530,427
	530,427

15 Other payables

	2019 DKK	2018 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	3,131,341	3,494,583
Other costs payable	986,376	1,619,763
	4,117,717	5,114,346

16 Changes in working capital

	2019	2018
	DKK	DKK
Increase/decrease in inventories	8,760,084	3,451,276
Increase/decrease in receivables	(13,809,374)	3,349,320
Increase/decrease in trade payables etc	(1,103,033)	(6,822,132)
	(6,152,323)	(21,536)

17 Unrecognised rental and lease commitments

	2019	2018
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,559,185	945,449

18 Contingent liabilities

The company is, on an ongoing basis, met with warranty claims and complaints for products delivered. No costs are expected besides what is already recognised as a liability in the annual report.

19 Assets charged and collateral

Apart from what follows from the normal warranty commitment for products delivered and a payment warranty to Jyske Bank A/S of DKK 10,000, the company has undertaken no guarantee commitments.

20 Related parties with controlling interest

Nedschroef Plettenberg GmbH, Germany, Sole shareholder.

Shanghai Prime Machinery Co., Ltd., China, Ultimate parent company

21 Transactions with related parties

	Parent	Other related
	DKK	parties
	DKK	DKK
Sales	211,936,844	
Financial expenses	4,965	
Receivables	36,037,786	386,424
Liabilities other than provisions	549,276	12,694

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Shanghai Prime Machinery Co., Ltd., China

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Nedschroef Plettenberg GmbH, Germany

Copies of the consolidated financial statements of Nedschroef Plettenberg GmbH may be ordered at the following address:

Nedschroef Plettenberg GmbH
Mühlenhof 5
58840 Plettenberg
Germany

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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.

Other financial expenses

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

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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise software.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

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:

Buildings	33 years
Plant and machinery	4-20 years
Other fixtures and fittings, tools and equipment	4-20 years
EDB hardware/software	3 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment 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 consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

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

Other financial liabilities

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

Income tax receivable or payable

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.