



Labster ApS

Skelbækgade 2, 4.
1717 København V
CVR No. 34457808

Annual report 2021

The Annual General Meeting adopted the
annual report on 25.04.2022

Mads Tvillinggaard Bonde

Chairman of the General Meeting

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Entity details

Entity

Labster ApS

Skelbækgade 2, 4.

1717 København V

Business Registration No.: 34457808

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Mads Tvillinggaard Bonde

Michael Bodekær Jensen

Executive Board

Mads Tvillinggaard Bonde

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Labster ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Copenhagen, 25.04.2022

Executive Board

Mads Tvillinggaard Bonde

Board of Directors

Mads Tvillinggaard Bonde

Michael Bodekær Jensen

Independent auditor's report

To the shareholders of Labster ApS

Opinion

We have audited the financial statements of Labster ApS for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 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.

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.

Copenhagen, 25.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Management commentary

Primary activities

The Company's activity consists of development and sale of software.

Development in activities and finances

The Company realised a loss of DKK 82,461k for the financial year 2021. Management considers the results for the year as expected.

The COVID-19 virus has set its marks throughout the whole world. Management expects that the lockdown and resulting increase in vaccination status worldwide will have a minor negative economic impact on the core markets and as a result, a minor negative financial impact on the expected results for 2021.

Labster ApS UK branch

The Company realised a net profit of DKK 3,681k for the financial year 2021. Management is satisfied with the results for the year.

Liquidity

The Company's activities are financed through group contributions from Labster Group ApS. It is Management's assessment that the Company and the Group have sufficient liquidity to continue as a going concern.

A significant capital increase has been made in the Labster Group ApS to support growth in the Group in the financial year 2021.

Uncertainty relating to recognition and measurement

As a result of deficits in recent years, no tax asset has been recognized.

The company invests in the development of VR technology. Expenses in the development phase are capitalized at cost on initial recognition, and are valued on an ongoing basis by the company's management.

The company's management assesses the completion costs and expected future cash flows for each development project. An impairment loss is recognized if management estimates that the future net income is less than the value of the development project.

Future net income is based on significant estimates and is thus associated with some uncertainty.

Events after the balance sheet date

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report except from a significant capital increase has been made in the Labster Group ApS to support growth in the Group after the balance sheet date.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(72,267,606)	33,903,867
Staff costs	1	(26,942,015)	(12,601,405)
Depreciation, amortisation and impairment losses	2	(8,696,472)	(8,406,632)
Other operating expenses		(64,492,789)	0
Operating profit/loss		(172,398,882)	12,895,830
Income from investments in group enterprises		73,770,354	(30,074,959)
Other financial income	3	4,868,997	2,498,784
Other financial expenses	4	(2,391,285)	(6,510,444)
Profit/loss before tax		(96,150,816)	(21,190,789)
Tax on profit/loss for the year	5	13,689,000	(604,623)
Profit/loss for the year		(82,461,816)	(21,795,412)
Proposed distribution of profit and loss			
Retained earnings		(82,461,816)	(21,795,412)
Proposed distribution of profit and loss		(82,461,816)	(21,795,412)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	7	50,774,021	52,861,221
Development projects in progress	7	70,911,272	33,465,055
Intangible assets	6	121,685,293	86,326,276
Other fixtures and fittings, tools and equipment		569,685	0
Leasehold improvements		423,826	0
Property, plant and equipment	8	993,511	0
Investments in group enterprises		2,500,493	0
Receivables from group enterprises		38,613,088	22,570,174
Deposits		539,550	0
Financial assets	9	41,653,131	22,570,174
Fixed assets		164,331,935	108,896,450
Trade receivables		3,384,448	3,305,554
Receivables from group enterprises		11,282,017	78,614
Other receivables		4,321,981	530,360
Joint taxation contribution receivable		17,884,060	10,284,377
Prepayments		5,883,288	2,044,930
Receivables		42,755,794	16,243,835
Cash		4,229,910	12,174,810
Current assets		46,985,704	28,418,645
Assets		211,317,639	137,315,095

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		240,000	240,000
Translation reserve		2,342,800	0
Reserve for net revaluation according to the equity method		2,500,492	0
Reserve for development expenditure		94,914,528	67,334,495
Retained earnings		39,739,607	(718,052)
Equity		139,737,427	66,856,443
Deferred tax		0	6,084,000
Provisions		0	6,084,000
Debt to other credit institutions		14,535,240	11,964,104
Other payables		1,266,046	6,235,583
Deferred income		10,401,387	16,125,714
Non-current liabilities other than provisions	10	26,202,673	34,325,401
Current portion of non-current liabilities other than provisions	10	5,840,122	7,557,832
Bank loans		747,036	377
Trade payables		9,241,990	2,422,007
Payables to group enterprises		5,444,783	1,565,236
Other payables		6,680,313	3,056,565
Deferred income		17,423,295	15,447,234
Current liabilities other than provisions		45,377,539	30,049,251
Liabilities other than provisions		71,580,212	64,374,652
Equity and liabilities		211,317,639	137,315,095
Unrecognised rental and lease commitments	11		
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Statement of changes in equity for 2021

	Contributed capital DKK	Translation reserve DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	240,000	0	0	67,334,495	(718,052)
Exchange rate adjustments	0	2,342,800	0	0	0
Group contributions etc	0		0	0	153,000,000
Transfer to reserves	0	0	0	27,580,033	(27,580,033)
Profit/loss for the year	0	0	2,500,492	0	(84,962,308)
Equity end of year	240,000	2,342,800	2,500,492	94,914,528	39,739,607

	Total DKK
Equity beginning of year	66,856,443
Exchange rate adjustments	2,342,800
Group contributions etc	153,000,000
Transfer to reserves	0
Profit/loss for the year	(82,461,816)
Equity end of year	139,737,427

Labster ApS has received group contribution of DKK 153,000k in 2021 from Labster Group ApS.

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	39,419,927	21,976,122
Pension costs	3,989,737	0
Other social security costs	5,909,980	165,203
Other staff costs	7,686	97,061
	49,327,330	22,238,386
Staff costs classified as assets	(22,385,315)	(9,636,981)
	26,942,015	12,601,405
Average number of full-time employees	78	26

2 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	8,618,237	8,406,632
Depreciation of property, plant and equipment	78,235	0
	8,696,472	8,406,632

The depreciation consists of DKK 13.5 million in depreciation for development projects, and DKK 4.8 million in amortization of development grants.

3 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	5,082,315	1,506,776
Exchange rate adjustments	(213,318)	992,008
	4,868,997	2,498,784

4 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	199,812	0
Other interest expenses	1,732,388	2,633,612
Exchange rate adjustments	459,085	3,845,254
Other financial expenses	0	31,578
	2,391,285	6,510,444

5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(2,105,000)	0
Change in deferred tax	(6,084,000)	5,389,000
Refund in joint taxation arrangement	(5,500,000)	(4,784,377)
	(13,689,000)	604,623

6 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	82,347,992	33,465,055
Transfers	11,363,968	(11,363,968)
Additions	0	48,810,185
Cost end of year	93,711,960	70,911,272
Amortisation and impairment losses beginning of year	(29,486,771)	0
Amortisation for the year	(13,451,168)	0
Amortisation and impairment losses end of year	(42,937,939)	0
Carrying amount end of year	50,774,021	70,911,272

7 Development projects

The development projects of the enterprise comprise the development of fully interactive advanced lab simulations based on mathematical algorithms that support open-ended investigations. The lab simulations include gamification elements such as an immersive 3D universe, storytelling and a scoring system which stimulates students' natural curiosity and highlights the connection between science and the real world.

The development projects in progress proceed as planned and are expected to be completed within 1-3 years.

Labster ApS are working with leading universities globally including MIT, Harvard and Imperial College, and have received grant funding for cutting edge R&D projects.

The completed development projects have shown their worth as the software is currently being used by California State University, Harvard, Gwinnett Technical College, MIT, Exeter University, University of New Haven, Stanford, University of New England, Trinity College, University of Hong Kong and Berkeley among others internationally.

The management has not identified indication of impairment of the recognised projects.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalized costs for development projects in the reserve for development costs under equity.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Additions	641,521	430,225
Cost end of year	641,521	430,225
Depreciation for the year	(71,836)	(6,399)
Depreciation and impairment losses end of year	(71,836)	(6,399)
Carrying amount end of year	569,685	423,826

9 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Deposits DKK
Cost beginning of year	1	88,487,966	0
Exchange rate adjustments	0	7,813,058	0
Additions	0	0	539,550
Disposals	0	(57,687,936)	0
Cost end of year	1	38,613,088	539,550
Impairment losses beginning of year	(1)	(65,799,603)	0
Exchange rate adjustments	(5,470,258)	0	0
Share of profit/loss for the year	73,770,354	0	0
Investments with negative equity value depreciated over receivables	(65,799,603)	65,799,603	0
Impairment losses end of year	2,500,492	0	0
Carrying amount end of year	2,500,493	38,613,088	539,550

Investments in subsidiaries	Registered in	Equity interest %
Labster Inc	United States	100

10 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Debt to other credit institutions	1,794,563	4,365,700	14,535,240	1,905,514
Other payables	0	0	1,266,046	1,266,046
Deferred income	4,045,559	3,192,132	10,401,387	0
	5,840,122	7,557,832	26,202,673	3,171,560

11 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	2,643,795	223,800

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Labster Group ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Assets charged and collateral

A floating charge of a nominal amount of DKK 38,900k has been provided as security for bank loan, Vaekstfonden and Triplepoint Capital covering the Company's goodwill, domain names and rights protected by the Danish Consolidate Patents Act, the Danish Consolidate Trademark Act, the Danish Consolidate Designs Act, the Danish Utility Models Act, the Danish Patterns Act, the Danish Copyright Act and the Danish Act on Protection of the Design of Semiconductor Products (topography), operating equipment and unsecured claims relating to the sale of goods and services, also including inventories of raw materials, semi-manufactures and finished goods as well as vehicles that are not or have not previously been registered.

The carrying amount of intangible assets and trade receivables is DKK 125,069k (2020: 89,632k).

14 Non-arm's length related party transactions

Labster ApS has received group contribution of DKK 153,000k in 2021 from Labster Group ApS. Other than the group contribution no other related party transactions have been conducted on a non-arm's length basis in the financial year.

15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Labster Group ApS, CVR-nr. 38597183, Copenhagen.

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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year. A few items, however, have been changed by reclassifications.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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. Intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries 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. 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.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

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. Revenue from licences is recognised on a straight-line basis over the licence period as delivery takes place.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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 intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

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 income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

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.

The Entity is jointly taxed with all Danish group enterprises. 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**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation period used is 7 years.

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

Property, plant and equipment

Leasehold Improvements and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 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.

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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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 in equity.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.