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# ***SkabelonDesign A/S***

Østergade 36, 3. sal, DK-1100 København K

## **Annual Report for 1 January - 31 December 2017**

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CVR No 35 67 95 29

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
11/4 2018

Christian Lund  
Chairman



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SkabelonDesign A/S for the financial year 1 January - 31 December 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

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

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

København, 11 April 2018

## Executive Board

Jeppe Schytte-Hansen  
CEO

Jakob Bjersing

Morten Hald Mortensen

## Board of Directors

Christian Lund  
Chairman

Jeppe Schytte-Hansen

Henrik Printzlau

# Independent Auditor's Report

To the Shareholders of SkabelonDesign A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SkabelonDesign A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

# Independent Auditor's Report

ment, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the Financial Statements**

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

# Independent Auditor's Report

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.

Hillerød, 11 April 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Carsten Blicher

statsautoriseret revisor

mne16560

## Company Information

### **The Company**

SkabelonDesign A/S  
Østergade 36, 3. sal  
DK-1100 København K

Telephone: + 45 70 20 72 47  
Website: [www.skabelondesign.dk](http://www.skabelondesign.dk)

CVR No: 35 67 95 29  
Financial period: 1 January - 31 December  
Municipality of reg. office: København

### **Parent Company**

Black Belt Technologies ApS, Østergade 36, 3., 1100 København K

### **Board of Directors**

Christian Lund, Chairman  
Jeppe Schytte-Hansen  
Henrik Printzlau

### **Executive Board**

Jeppe Schytte-Hansen  
Jakob Bjersing  
Morten Hald Mortensen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Milnersvej 43  
DK-3400 Hillerød

### **Bankers**

Danske Bank

# Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2017 TDKK	2016 TDKK	2015 TDKK	2014 TDKK	2013 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Operating profit/loss	3.072	2.705	1.416	1.196	946
Profit/loss before financial income and expenses	3.800	3.396	2.142	1.763	1.127
Net financials	71	44	85	1	-103
Net profit/loss for the year	3.017	2.681	1.716	1.325	758
<b>Balance sheet</b>					
Balance sheet total	25.685	23.204	18.758	14.360	10.120
Equity	6.178	5.661	6.034	5.998	4.673
Investment in property, plant and equipment	168	198	129	-1.126	262
Number of employees	32	26	22	20	20
<b>Ratios</b>					
Return on assets	14,8%	14,6%	11,4%	12,3%	11,1%
Solvency ratio	24,1%	24,4%	32,2%	41,8%	46,2%
Return on equity	51,0%	45,8%	28,5%	24,8%	21,1%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.



# Management's Review

## Key activities

The company's main activity consists in providing consulting services related to implementation of Brand Management and Productivity tools for Microsoft Office. Our services include template development, design projects, customer success activities, change management and consultancy with a narrow focus on alignment of the Corporate Visual Identity and on how users can save time when creating documents, presentations and mails. We develop and sell our own software components as well as 3rd party software applications.

## Performance

The income statement of the Company for 2017 shows a profit of DKK 3,016,865, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 6,177,935.

## Development in the year

2017 was another year of growth for SkabelonDesign where mainly the consulting activities related to a significant number of international projects meant that revenue grew by 7% compared to 2016 which was 3 % above the level set in the budget for the year.

SkabelonDesign has during the year again proven its position as an important reseller and implementation partner for Templafy - but also SkabelonDesigns own portfolio of complementary software components has become an important source of revenue for the company.

The report business – mainly annual reports - is growing steady with an increased number of clients benefitting from the solutions while very few existing clients are looking for alternative options. We have been working with the Investor Relations teams in 6 of the C25 companies regarding the use of our annual reporting tools and consultancy.

Client requirements related to integration of different 3rd party systems to both Templafy and SkabelonDesigns own product range has strengthened the experience base within the consulting team and the range of integration options between systems has become very strong.

The organisation is again increasing in size within Software Development, Consulting Services and Sales – total head count end of year is now 43 and there has been engaged working hours equivalent to 32 full time employees during 2017 compared to 26 in 2016.

# Management's Review

## Strategy and objectives

The ambition for 2018 is to continue the conversion of current client solutions to Templafy as well as accelerate the promotion and customer onboarding of SkabelonDesigns product range of +20 components where the potential is very high.

We expect a further increase in consulting activities from current Templafy clients as well as new clients acquired both by SkabelonDesign and Templafy in which SkabelonDesign will continue as one of the preferred implementation partners in the ecosystem. We expect an increase in the Templafy related consultancy business of 5-8%.

There will be an extraordinary focus on Customer Satisfaction and lead times for the different activities from initial contact through production to implementation and delivery acceptance in order for SkabelonDesign to live up to its ambitions and obligations as supplier during this stage of growth for the company. It remains a key ambition to maintain high service levels in all areas of the value chain with clear internal goals in terms of customer satisfaction.

The revenue budget of 2018 reflects a net growth of 4% compared to the 2017 revenue level.

## Research and development

On top of the continued efforts to upgrade and strengthen the current SkabelonDesign product portfolio there will be a dedicated focus on developing solutions to accommodate various areas.

Our research and product development efforts will be focusing on:

- CorporateInfographics. A tool that allows the individual non-graphic designer to create on-brand and appealing infographics
- Change Management projects following the implementation projects in large enterprises
- Accessibility in documents and presentation material published by especially public organisations (due to the 2018 EU regulation)
- New versions of existing tools: CorporateCharts and CorporateTables
- Continued market-driven product development

We have launched an internal project called "Project Product Communication 2018" in order to focus on key benefits and productivity gains when working with one or several of our solutions.

## Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## Unusual events

The financial position at 31 December 2017 of the Company and the results of the activities of the Company for the financial year for 2017 have not been affected by any unusual events.

## **Management's Review**

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 January - 31 December

	Note	2017 DKK	2016 DKK
<b>Gross profit/loss</b>		<b>23.957.433</b>	<b>20.756.555</b>
Staff expenses	1	-19.678.678	-16.898.232
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-479.020	-462.126
<b>Profit/loss before financial income and expenses</b>		<b>3.799.735</b>	<b>3.396.197</b>
Financial income	3	110.325	110.325
Financial expenses		-39.098	-66.636
<b>Profit/loss before tax</b>		<b>3.870.962</b>	<b>3.439.886</b>
Tax on profit/loss for the year	4	-854.097	-758.631
<b>Net profit/loss for the year</b>		<b>3.016.865</b>	<b>2.681.255</b>

## Distribution of profit

### Proposed distribution of profit

Extraordinary dividend paid	0	2.054.000
Proposed dividend for the year	2.800.000	2.500.000
Retained earnings	216.865	-1.872.745
	<b>3.016.865</b>	<b>2.681.255</b>

# Balance Sheet 31 December

## Assets

	Note	2017 DKK	2016 DKK
Completed development projects		71.244	213.731
<b>Intangible assets</b>	5	<b>71.244</b>	<b>213.731</b>
Other fixtures and fittings, tools and equipment		762.173	926.051
Leasehold improvements		0	4.424
<b>Property, plant and equipment</b>	6	<b>762.173</b>	<b>930.475</b>
Investments in subsidiaries	7	50.000	50.000
<b>Fixed asset investments</b>		<b>50.000</b>	<b>50.000</b>
<b>Fixed assets</b>		<b>883.417</b>	<b>1.194.206</b>
Trade receivables		17.985.652	14.178.777
Contract work in progress		757.669	275.000
Receivables from group enterprises		2.649.245	3.240.191
Other receivables		2.978.986	2.955.148
<b>Receivables</b>		<b>24.371.552</b>	<b>20.649.116</b>
<b>Cash at bank and in hand</b>		<b>429.564</b>	<b>1.361.176</b>
<b>Currents assets</b>		<b>24.801.116</b>	<b>22.010.292</b>
<b>Assets</b>		<b>25.684.533</b>	<b>23.204.498</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		500.000	500.000
Retained earnings		2.877.935	2.661.070
Proposed dividend for the year		2.800.000	2.500.000
<b>Equity</b>		<b>6.177.935</b>	<b>5.661.070</b>
Provision for deferred tax	8	67.351	96.488
<b>Provisions</b>		<b>67.351</b>	<b>96.488</b>
Credit institutions		1.349.616	70.541
Trade payables		1.997.502	3.581.521
Corporation tax		883.234	1.675.536
Other payables		4.964.867	4.157.318
Deferred income		10.244.028	7.962.024
<b>Short-term debt</b>		<b>19.439.247</b>	<b>17.446.940</b>
<b>Debt</b>		<b>19.439.247</b>	<b>17.446.940</b>
<b>Liabilities and equity</b>		<b>25.684.533</b>	<b>23.204.498</b>
Contingent assets, liabilities and other financial obligations	9		
Accounting Policies	10		

## Statement of Changes in Equity

	Share capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity at 1 January	500.000	2.661.070	2.500.000	5.661.070
Ordinary dividend paid	0	0	-2.500.000	-2.500.000
Net profit/loss for the year	0	216.865	2.800.000	3.016.865
<b>Equity at 31 December</b>	<b>500.000</b>	<b>2.877.935</b>	<b>2.800.000</b>	<b>6.177.935</b>

# Notes to the Financial Statements

	2017 DKK	2016 DKK
<b>1 Staff expenses</b>		
Wages and salaries	17.830.129	15.593.936
Pensions	1.153.179	930.402
Other social security expenses	189.341	164.482
Other staff expenses	506.029	209.412
	<b>19.678.678</b>	<b>16.898.232</b>
<b>Average number of employees</b>	<b>32</b>	<b>26</b>
<b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	142.486	142.480
Depreciation of property, plant and equipment	336.534	319.646
	<b>479.020</b>	<b>462.126</b>
<b>3 Financial income</b>		
Interest received from group enterprises	110.325	110.325
	<b>110.325</b>	<b>110.325</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	883.234	908.270
Deferred tax for the year	-29.137	-149.639
	<b>854.097</b>	<b>758.631</b>



# Notes to the Financial Statements

## 5 Intangible assets

	Completed development projects DKK
Cost at 1 January	712.422
Cost at 31 December	712.422
Impairment losses and amortisation at 1 January	498.692
Amortisation for the year	142.486
Impairment losses and amortisation at 31 December	641.178
<b>Carrying amount at 31 December</b>	<b>71.244</b>

Development projects relate to development of software products for sale. The products are completed and sold.

## 6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	2.563.016	70.770
Additions for the year	168.232	0
Cost at 31 December	2.731.248	70.770
Impairment losses and depreciation at 1 January	1.636.965	66.346
Depreciation for the year	332.110	4.424
Impairment losses and depreciation at 31 December	1.969.075	70.770
<b>Carrying amount at 31 December</b>	<b>762.173</b>	<b>0</b>

# Notes to the Financial Statements

	2017 DKK	2016 DKK
<b>7 Investments in subsidiaries</b>		
Cost at 1 January	50.000	0
Additions for the year	0	50.000
<b>Carrying amount at 31 December</b>	<b>50.000</b>	<b>50.000</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Office Extensions ApS	Copenhagen	50.000	100%	50.000	0

	2017 DKK	2016 DKK
<b>8 Provision for deferred tax</b>		
Provision for deferred tax at 1 January	96.488	246.127
Amounts recognised in the income statement for the year	-29.137	-149.639
<b>Provision for deferred tax at 31 December</b>	<b>67.351</b>	<b>96.488</b>

# Notes to the Financial Statements

	2017 DKK	2016 DKK
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## 9 Contingent assets, liabilities and other financial obligations

### Charges and security

The following assets have been placed as security with bankers:

Indemnification Letter of TDKK 3,400, which provide mortgage in receivables from sales to a total carrying value of	17.985.652	14.178.777
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### Rental commitments

Rental commitments, non-cancellation period:

Within 1 year	130.000	120.000
	<b>130.000</b>	<b>120.000</b>

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SkabelonDesign Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no security and contingent liabilities at 31 December 2017.

# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of SkabelonDesign A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Income Statement

#### Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Other external expenses

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

Other external expenses also include research and development costs that do not qualify for capitalisation.

#### Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Intangible assets

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5	years
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,200 are expensed in the year of acquisition.

### Impairment of fixed assets

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

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

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

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### Equity

#### *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.



# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$