



## LuggageHero A/S

Pilestræde 2A A  
1112 København K  
CVR No. 37611328

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 22.06.2023

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**Jannik Lawaetz**

Chairman of the General Meeting

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# Entity details

## Entity

LuggageHero A/S  
Pilestræde 2A A  
1112 København K

Business Registration No.: 37611328  
Registered office: København  
Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Tage Reinert  
Allan Sønderskov Darre  
Jannik Lawaetz  
Kristian Løkkegaard  
Ib Vagn Drachmann-Hansen

## Executive Board

Jannik Lawaetz

## 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 LuggageHero A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 22.06.2023

## Executive Board

**Jannik Lawaetz**

## Board of Directors

**Tage Reinert**

**Allan Sønderskov Darre**

**Jannik Lawaetz**

**Kristian Løkkegaard**

**Ib Vagn Drachmann-Hansen**

# Independent auditor's extended review report

## To the shareholders of LuggageHero A/S

### Conclusion

We have performed an extended review of the financial statements of LuggageHero A/S for the financial year 01.01.2022 - 31.12.2022, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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.

Aarhus, 22.06.2023

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Mads Fauerskov**

State Authorised Public Accountant  
Identification No (MNE) mne35428

#### **Sune Pagh Sølvsteen**

State Authorised Public Accountant  
Identification No (MNE) mne47819

# Management commentary

## Primary activities

The purpose of the company is to conduct the business of luggage storage to the public, as well as businesses associated with this.

## Development in activities and finances

Throughout the fiscal year, LuggageHero experienced a substantial increase in net revenue, reaching levels higher than before the pandemic. This achievement highlights our ability to capitalize on market opportunities and drive growth in a challenging environment.

The intentional increase in marketing efforts aimed at capturing the rising demand in the travel industry allowed LuggageHero to expand its customer base and enhance brand awareness. By strategically allocating resources to promotional campaigns, advertising, and customer acquisition activities, we have positioned ourselves for future success.

As a result, LuggageHero has expanded its global footprint and is now present in over 220 cities across 40 countries. This extensive reach not only positions us as a leader in the industry but also provides a strong foundation for future growth and expansion opportunities.

Looking ahead, our focus is on leveraging cross-selling and promotional opportunities for both partner businesses and travelers. By capitalizing on our broad network and customer base, we aim to create mutually beneficial collaborations that drive additional revenue streams and enhance customer satisfaction.

In 2022, our strategic focus centered on expanding LuggageHero's presence in the North American market. This involved relocating key members of our management team to the region during the first half of the year. As a result of these efforts, we successfully established numerous partnerships and expanded our workforce in the United States.

Additionally, LuggageHero's operations in Europe and the UK continued to deliver positive results, consolidating our position in these markets. The combined performance across different regions contributed to the overall growth and success of the company.

During the latter half of 2022 both the business in the United States and Europe demonstrated improved performance. For 2023 we expect significant improvements in LuggageHero's financial performance compared to 2022.

We are confident in our ability to navigate the evolving market landscape and seize future opportunities for growth. By leveraging cross-selling and promotional opportunities, we aim to enhance customer satisfaction and drive additional revenue for both our partner businesses and travelers."

## Events after the balance sheet date

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

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>	2	<b>2,292,477</b>	<b>3,533,618</b>
Staff costs	3	(3,640,039)	(2,549,739)
Depreciation, amortisation and impairment losses		(3,184,620)	(2,374,493)
<b>Operating profit/loss</b>		<b>(4,532,182)</b>	<b>(1,390,614)</b>
Other financial income	4	91,235	109,052
Impairment losses on financial assets		(538,467)	(210,747)
Other financial expenses		(898,165)	(800,311)
<b>Profit/loss before tax</b>		<b>(5,877,579)</b>	<b>(2,292,620)</b>
Tax on profit/loss for the year	5	575,952	596,542
<b>Profit/loss for the year</b>		<b>(5,301,627)</b>	<b>(1,696,078)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(5,301,627)	(1,696,078)
<b>Proposed distribution of profit and loss</b>		<b>(5,301,627)</b>	<b>(1,696,078)</b>



# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	7	6,685,097	6,677,078
<b>Intangible assets</b>	6	<b>6,685,097</b>	<b>6,677,078</b>
Investments in group enterprises		0	0
Deposits		97,717	98,000
<b>Financial assets</b>	8	<b>97,717</b>	<b>98,000</b>
<b>Fixed assets</b>		<b>6,782,814</b>	<b>6,775,078</b>
Manufactured goods and goods for resale		3,347	971
<b>Inventories</b>		<b>3,347</b>	<b>971</b>
Receivables from group enterprises		1,004,886	1,379,564
Other receivables	9	1,849,858	2,363,468
Income tax receivable	10	575,952	596,542
Prepayments		125,161	88,397
<b>Receivables</b>		<b>3,555,857</b>	<b>4,427,971</b>
<b>Cash</b>		<b>738,339</b>	<b>3,703,884</b>
<b>Current assets</b>		<b>4,297,543</b>	<b>8,132,826</b>
<b>Assets</b>		<b>11,080,357</b>	<b>14,907,904</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		910,027	910,027
Translation reserve		(28,507)	(28,507)
Reserve for development expenditure		5,214,374	5,208,119
Retained earnings		(10,497,779)	(5,189,897)
<b>Equity</b>		<b>(4,401,885)</b>	<b>899,742</b>
Debt to other credit institutions		6,288,601	6,744,667
Convertible and dividend-yielding debt instruments		3,448,780	3,193,315
Payables to owners and management	11	1,534,400	1,419,641
Other payables		324,303	317,633
Deferred income		157,192	475,088
<b>Non-current liabilities other than provisions</b>	<b>12</b>	<b>11,753,276</b>	<b>12,150,344</b>
Current portion of non-current liabilities other than provisions	12	1,167,918	705,346
Trade payables		1,508,020	802,851
Other payables	13	1,053,028	349,621
<b>Current liabilities other than provisions</b>		<b>3,728,966</b>	<b>1,857,818</b>
<b>Liabilities other than provisions</b>		<b>15,482,242</b>	<b>14,008,162</b>
<b>Equity and liabilities</b>		<b>11,080,357</b>	<b>14,907,904</b>
Going concern	1		
Unrecognised rental and lease commitments	14		
Assets charged and collateral	15		

# Statement of changes in equity for 2022

	Contributed capital DKK	Translation reserve DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	910,027	(28,507)	5,208,119	(5,189,897)	899,742
Transfer to reserves	0	0	6,255	(6,255)	0
Profit/loss for the year	0	0	0	(5,301,627)	(5,301,627)
<b>Equity end of year</b>	<b>910,027</b>	<b>(28,507)</b>	<b>5,214,374</b>	<b>(10,497,779)</b>	<b>(4,401,885)</b>

More than 50 % of the share capital has been lost. Management expects to re-establish the share capital through future operations.

# Notes

## 1 Going concern

Management acknowledges the negative equity position and significant loss for the year. Despite these challenges, the annual report has been prepared on a going concern basis. The decision is based on several factors, including the surge in demand and sales growth experienced in 2022. This increase in sales can be attributed to the easing of travel restrictions related to the COVID-19 pandemic.

The Company has observed a substantial improvement in overall sales performance hence above stated. As a result, the Management has projected this positive trend to continue in the upcoming years. Accordingly, the budget for future periods incorporates the anticipated growth in sales.

Although the current financial results indicate a negative equity and loss for the year, the Management believes that the Company's operations will generate sufficient cash flows and profitability to support its ongoing operations.

## 2 Gross profit/loss

Other operating income includes compensation received from the wage and fixed cost aid schemes established as a result of the outbreak and the spread of COVID-19 in 2020, amounting to DKK 407k for 2022 and DKK 2.958k for 2021. Furthermore other operating income includes recognition of received public grants, of which the recognition amounting to DKK 658k for 2022 and DKK 444k for 2021

## 3 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	3,519,312	2,456,132
Pension costs	73,397	24,000
Other social security costs	47,330	69,607
	<b>3,640,039</b>	<b>2,549,739</b>
Average number of full-time employees	<b>6</b>	<b>6</b>

## 4 Other financial income

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	65,128	15,106
Exchange rate adjustments	26,107	93,946
	<b>91,235</b>	<b>109,052</b>

## 5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	(575,952)	(596,542)
	<b>(575,952)</b>	<b>(596,542)</b>

## 6 Intangible assets

	Completed development projects DKK
Cost beginning of year	11,755,472
Additions	3,192,639
<b>Cost end of year</b>	<b>14,948,111</b>
Amortisation and impairment losses beginning of year	(5,078,394)
Amortisation for the year	(3,184,620)
<b>Amortisation and impairment losses end of year</b>	<b>(8,263,014)</b>
<b>Carrying amount end of year</b>	<b>6,685,097</b>

## 7 Development projects

Throughout 2022, our company, backed by a grant from Innovationsfonden (2020-2022), put a significant emphasis on improving our processes and systems through careful innovation. Our goal was to stay competitive by integrating as much automation as possible.

One key area of our development work was POInter, our automated platform for optimizing expansion and marketing in LuggageHero. Some of the notable features developed for POInter include:

- A feature that automatically identifies areas that we cover, creates local marketing content (organic) and initiates online ad campaigns based on local search phrases.

- A comprehensive scanning mechanism that maps out an entire city's infrastructure from a traveler's perspective. It factors in notable attractions, the usage of public transportation to and from airports, and integrates data from local hospitality companies.

In addition to POInter's development, we directed considerable resources to further develop the LuggageHero two-sided market platform (Web, Native). This platform allows travelers to find and book suitable storage locations online worldwide, with real-time availability and dynamic pricing. Here are some of the developments and experiments we've incorporated:

- A new platform that lets a seller create an "item" (not luggage specific) and select a LuggageHero partner location for temporary storage until the item is collected by a buyer.

- An innovative functionality that distinguishes between an existing or new user when scanning a QR code upon check-in at a storage location.

- Setting a new standard in the industry, we provide real-time storage on demand. Our latest feature enables our storage partners to act on reports made by our travelers in real time. This reporting function allows storage managers to address unforeseen situations in their premises due to employee issues or external factors.

- A flexible feature that allows travelers to adapt their needs for extra services in real time while in a city. This includes options like insurance, additional storage days, hours, or any other travel-related requirements.

- A sophisticated automated messaging platform that allows marketing users to set up notifications for all

relevant events related to the traveler booking flow and storage-manager dashboard.

- A highly customizable dynamic pricing system for luggage storage that can adjust prices based on numerous parameters available on the platform.
  - A new and enhanced web app for storage partners, including a dashboard that shows their performance, with gamification encouraging users to keep information accurate and provide an excellent customer experience.
- Our commitment to research and development, coupled with a culture that encourages innovation, continues to keep us at the forefront of the industry.

Management sees a great market potential hence the upward trends in global traveling post COVID-19. Furthermore sees no impairment issues regarding development projects.

## 8 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	2,486,911	98,000
Additions	44,624	630
Disposals	0	(913)
<b>Cost end of year</b>	<b>2,531,535</b>	<b>97,717</b>
Impairment losses beginning of year	(2,486,911)	0
Impairment losses for the year	(538,467)	0
Investments with negative equity value depreciated over receivables	493,843	0
<b>Impairment losses end of year</b>	<b>(2,531,535)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>97,717</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Equity interest %</b>
LuggageHero LLC	New York	100.00
Knock Knock City, Co	New York	100.00
Luggagehero Spain, Sociedad Limitada	Barcelona	100.00

## 9 Other receivables

	<b>2022 DKK</b>	<b>2021 DKK</b>
Other receivables	1,849,858	2,363,468
	<b>1,849,858</b>	<b>2,363,468</b>

Other receivables comprise VAT, receivables from Innovation Fund Denmark, prepaid expenses and Stripe accounts.

### 10 Tax receivable

The tax receivable relates to the use of the tax credit scheme defined in Ligningsloven § 8X. The Company expects a cash reimbursement corresponding to the tax value of our tax loss attributable to research and development costs. Based on an assessment of the application criteria, it is the management view that the Company is eligible to the reimbursement under the tax credit scheme and therefore the asset is recognised in the balance.

Whether the application criteria are satisfied is, however, a discretionary assessment. As a result hereof, there is a risk the tax authorities deny the reimbursement or that any incorrect reimbursement must be repaid in subsequent financial years.

### 11 Payables to owners and management

Payables to shareholders and management comprise convertibel debt.

### 12 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK
Debt to other credit institutions	744,292	117,615	6,288,601
Convertible and dividend-yielding debt instruments	0	0	3,448,780
Payables to owners and management	0	0	1,534,400
Other payables	0	0	324,303
Deferred income	423,626	587,731	157,192
	<b>1,167,918</b>	<b>705,346</b>	<b>11,753,276</b>

Deferred income relates to grants received in connection with the development projects. Received grants are recognized on a straight-line basis over the amortization period of the development project.

### 13 Other payables

	2022 DKK	2021 DKK
VAT and duties	93,748	0
Wages and salaries, personal income taxes, social security costs, etc. payable	592,141	122,958
Holiday pay obligation	154,258	158,782
Other costs payable	212,881	67,881
	<b>1,053,028</b>	<b>349,621</b>

### 14 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	<b>64,508</b>	<b>62,620</b>

**15 Assets charged and collateral**

To guarantee debt to credit institutions, company charge has been pledged at nominal value DKK 6.500k in simple claims, inventory, intangibles and property, plant, and equipment.

The carrying amount of the pledged assets amounts to a total of DKK 6.688k as of 31.12.2022.



# 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, except for a few reclassifications:

In accordance with the guidance given by the Danish Business Authority, the Company has adapted the classification of staff costs and other costs that are capitalized as development projects. Rather than being offset against "staff costs" and "other external expenses", the effect is now recognized under "other operating income". The comparative figures have been adjusted accordingly without any effect on profit or equity.

## Consolidated financial statements

Referring to section 110 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.

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 recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in 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.

### **Public grants**

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, other operating income, own work capitalised 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. 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.

#### **Own work capitalised**

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

#### **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.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises etc.

**Impairment losses on financial assets**

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

**Other financial expenses**

Other financial expenses comprise interest expenses 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 development projects completed with related 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 in the 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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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 periods used are 3-5 years.

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

**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments 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.

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. Stripe accounts requires presentation as recievables from sales.

**Tax payable or receivable**

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

**Prepayments**

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

**Cash**

Cash comprises 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.