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Leneo A/S

Højbro Plads 10
1200 København K
CVR No. 37648035

Annual report 2023

The Annual General Meeting adopted the annual report on 18.03.2024

Peter Stuhr
Chairman of the General Meeting

Contents

Entity details

Entity

Leneo A/S
Højbro Plads 10
1200 København K

Business Registration No.: 37648035
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Christer Olander, Chairman
Peter Stuhr
Nicolai Bodd
Andreas Fredriksson
Anders Fredrik Ljungblad
Thorleif Krarup
Troels Skjelbo

Executive Board

Peter Stuhr

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Leneo A/S for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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.

København, 18.03.2024

Executive Board

Peter Stuhr

Board of Directors

Christer Olander
Chairman

Peter Stuhr

Nicolai Bodd

Andreas Fredriksson

Anders Fredrik Ljungblad

Thorleif Krarup

Troels Skjelbo

Independent auditor's report

To the shareholders of Leneo A/S

Opinion

We have audited the financial statements of Leneo A/S for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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.

Material uncertainty related to going concern

As stated in the management report and note 1 of the annual financial statements, the company anticipates sufficient liquidity to continue operations in 2024. The company's budgets demonstrate adequate liquidity to continue operations and development of the company, subject to compliance with the company's budgets, including the sales budget. In the event that the company does not achieve revenue and expenses as budgeted, there may be a requirement for additional capital in the company during 2024.

We have reviewed the description of uncertainty in the management report and note 1 and found the mention of the company's liquidity to be adequately described. We also refer to management's description of ongoing discussions regarding potential capital raising. Additionally, we have discussed the basis for the assessment of going concern with management, based on the company's operating and liquidity budgets. We concur that the company is expected to have sufficient liquidity for the remainder of 2024.

As a result, our conclusion remains unmodified.

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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

København, 18.03.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov
State Authorised Public Accountant
Identification No (MNE) mne35428

Rasmus Volert Madsen
State Authorised Public Accountant
Identification No (MNE) mne45822

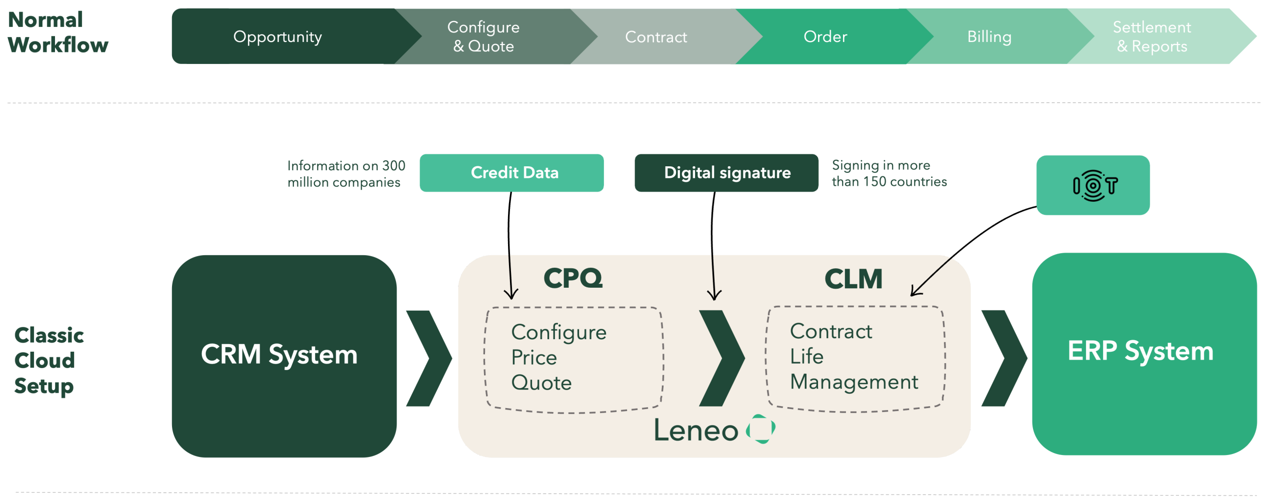
Management commentary

Primary activities

Leneo's visionary mission extends across a vast horizon of innovation and pioneering spirit. Our dedication to shaping the platforms of tomorrow is not merely a goal but a relentless pursuit ingrained in our organizational DNA. Through our steadfast commitment and strategic foresight, we have positioned ourselves as a beacon of innovation in Europe's Product as a Service and recurring revenue sector, carving a path toward sustained success and transformative impact.

At the nucleus of our operations lies an innate understanding of the shifting tides of technology and business dynamics. Our high-tech, bespoke solutions are not just products but manifestations of our unwavering belief in pushing the boundaries of possibility. With a keen focus on addressing the evolving needs of our clientele, we have cultivated a reputation for delivering solutions that transcend the conventional, empowering organizations to navigate the complexities of the modern economy with ease and confidence.

Central to our approach is the integration of cutting-edge technologies, such as our Configure, Price, Quote (CPQ) and Contract Lifecycle Management (CLM) capabilities. These tools are not merely software but gateways to a new era of efficiency and productivity, allowing clients to seamlessly connect disparate systems and forge a modern tech stack tailored to their unique requirements. In doing so, we empower our clients to embrace innovation at every turn, fostering an environment where growth and adaptability go hand in hand.



Moreover, our commitment to innovation is underpinned by a relentless pursuit of uniqueness. We have developed advanced usage and pay-as-you-go functionalities that set us apart from the competition, offering clients unparalleled flexibility and control over their operations. This distinctive approach not only enhances user satisfaction but also drives tangible business outcomes, propelling our clients toward success in an ever-evolving marketplace.

Yet, our journey toward innovation is far from over. We recognize that true greatness lies in our ability to adapt and evolve, and we remain steadfast in our commitment to continuous improvement. Our ongoing investments in research and development are a testament to this dedication, as we strive to push the boundaries of what's possible and redefine the future of our industry.

Leneo's commitment to pioneering innovation and fostering sustainable progress, Leneo is embarking on a transformative journey toward harnessing circular data to drive value for our clients and the broader ecosystem. As we navigate the intricate intersection of technology and sustainability, we recognize the pivotal role that circular data plays in shaping the future of business operations and environmental stewardship.

Our approach to circular data is multifaceted, encompassing the monitoring, capture, and utilization of data from diverse sources, including Internet of Things (IoT) devices and other relevant sources. By leveraging cutting-edge technologies and advanced analytics, we empower our clients to extract actionable insights from this wealth of data, enabling them to optimize resource utilization, reduce waste, and enhance overall operational efficiency.

Central to our strategy is collaboration with banking partners to develop innovative finance solutions that incentivize and support sustainable practices. By aligning financial incentives with environmental objectives, we create synergies that drive meaningful change and unlock new opportunities for growth and innovation. Through our collaborative efforts, we aim to equip our clients with the tools and insights they need to offer more advanced solutions and drive positive environmental impact. From enhanced product design to smarter supply chain management, the possibilities are endless when circular data becomes a cornerstone of decision-making and strategy.

As we embark on this journey, we remain committed to transparency, accountability, and continuous improvement. We will closely monitor key metrics and performance indicators to track progress toward our sustainability goals, providing our clients with the data and insights they need to make informed decisions and drive positive change.

Together with our banking partners and clients, we are confident that we can unlock new frontiers of sustainability and innovation, creating a brighter and more resilient future for generations to come.

As we chart our course forward, we do so with a profound sense of purpose and optimism. Industry forecasts may project growth, but our vision extends far beyond mere numbers. We envision a future where innovation knows no bounds, where possibilities are limitless, and where Leneo stands as a symbol of progress and ingenuity. With our unwavering resolve and pioneering spirit, we are poised to lead the way toward a brighter tomorrow, where innovation reigns supreme and the potential for greatness knows no bounds.

Development in activities and finances

The result for the fiscal year amount to a loss of 17,311 thousand DKK, compared to a profit of 1.661 thousand DKK in 2022. The company's equity as of December 31, 2023, is 14,471 thousand DKK.
The management considers the result for the year as expected. Leneo has invested in and will continue to invest in their own platforms in the coming years.

The cause of development in financial result can be explained by the company's sale of customer rights In May 2022. The company decided to enter an agreement with a former collaborator to transfer joint customers on the Leneo platform to the collaborator by the end of Q1 2023. The company's normal delivery revenue has been recognized continuously as deliveries are made up until March 31st, 2023, while the one-time amount received from the transfer of customers was recorded as an accounting gain in the 2022 fiscal year. Therefore, the 2022 financial result was positively affected by the sale of these customer rights.

The company intends to continue investing in the platform and is therefore actively managing the company's capital readiness. Please refer to note 1 of the annual financial statements for further elaboration on this matter, as well as the background for preparing the annual report based on the assumption of going concern.

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 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss	2	**(243,552)**	**12,061,627**
Staff costs	3	(7,700,585)	(5,821,350)
Depreciation, amortisation and impairment losses		(4,931,500)	(4,090,671)
Operating profit/loss		**(12,875,637)**	**2,149,606**
Income from investments in group enterprises		(6,645,347)	0
Other financial income		10,390	5,020
Other financial expenses		(175,529)	(416,409)
Profit/loss before tax		**(19,686,123)**	**1,738,217**
Tax on profit/loss for the year	4	2,374,663	(77,028)
Profit/loss for the year		**(17,311,460)**	**1,661,189**
Proposed distribution of profit and loss			
Retained earnings		(17,311,460)	1,661,189
Proposed distribution of profit and loss		**(17,311,460)**	**1,661,189**

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	6	12,872,140	11,031,436
Development projects in progress	6	2,612,269	4,778,379
Intangible assets	5	**15,484,409**	**15,809,815**
Other fixtures and fittings, tools and equipment		0	14,008
Property, plant and equipment	7	**0**	**14,008**
Investments in group enterprises		1,503,296	6,148,643
Deposits		0	37,590
Financial assets	8	**1,503,296**	**6,186,233**
Fixed assets		**16,987,705**	**22,010,056**
Trade receivables		13,043	2,979,125
Receivables from group enterprises		8,438	131,886
Other receivables		164,917	2,860
Income tax receivable	9	1,010,259	0
Prepayments		222,890	128,919
Receivables		**1,419,547**	**3,242,790**
Cash		**4,733,581**	**13,196,536**
Current assets		**6,153,128**	**16,439,326**
Assets		**23,140,833**	**38,449,382**

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		1,191,650	1,191,650
Reserve for development expenditure		12,077,839	12,331,676
Retained earnings		1,201,929	17,997,312
Equity		**14,471,418**	**31,520,638**
Deferred tax		0	1,364,404
Provisions		**0**	**1,364,404**
Debt to other credit institutions		1,497,511	1,916,658
Payables to owners and management		5,029,667	0
Other payables		495,256	495,256
Non-current liabilities other than provisions	10	**7,022,434**	**2,411,914**
Current portion of non-current liabilities other than provisions	10	673,933	326,526
Trade payables		518,624	433,932
Other payables		429,024	725,083
Deferred income	11	25,400	1,666,885
Current liabilities other than provisions		**1,646,981**	**3,152,426**
Liabilities other than provisions		**8,669,415**	**5,564,340**
Equity and liabilities		**23,140,833**	**38,449,382**
Going concern	1		
Unrecognised rental and lease commitments	12		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,191,650	12,331,676	17,997,312	31,520,638
Other entries on equity	0	0	262,240	262,240
Dissolution of reserves	0	(253,837)	253,837	0
Profit/loss for the year	0	0	(17,311,460)	(17,311,460)
Equity end of year	**1,191,650**	**12,077,839**	**1,201,929**	**14,471,418**

Notes

1 Going concern

The company's operating and liquidity budgets have been updated at year-end. If the budget for 2024 is met, there is sufficient liquidity for the company to continue operations until the end of 2024. Management expects to meet the budget for 2024 and will also continue strong internal control and cost management in 2024. If the company's budgets are not met, there may be a need for additional liquidity during 2024.

At the time of approval of the annual report, the company has initiated work on a potential new financing round in the fall of 2024 to secure long-term capital for the operation and further development of the company, including the Leneo platform. The company is also engaged in positive dialogues with current investors. No agreements have been reached on new financing at the time of the financial statements.

Based on the above, the annual report has been prepared on the assumption of going concern.

2 Gross profit/loss

Gross loss includes other operating income of 181 T.DKK and own work capitalized related to the company's development projects of 4.592 T.DKK.

Other operating income comprises of received salary reimbursements.

3 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	6,433,163	4,936,783
Pension costs	968,339	624,429
Other social security costs	70,055	56,019
Other staff costs	229,028	204,119
	7,700,585	**5,821,350**
Average number of full-time employees	**9**	**6**

4 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	(1,010,259)	0
Change in deferred tax	(1,364,404)	77,028
	(2,374,663)	**77,028**

5 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	21,464,409	4,778,379
Transfers	6,758,197	(6,758,197)
Additions	0	4,592,087
Disposals	(525,719)	0
Cost end of year	**27,696,887**	**2,612,269**
Amortisation and impairment losses beginning of year	(10,432,973)	0
Amortisation for the year	(4,917,493)	0
Reversal regarding disposals	525,719	0
Amortisation and impairment losses end of year	**(14,824,747)**	**0**
Carrying amount end of year	**12,872,140**	**2,612,269**

6 Development projects

Development projects relate to the development of IT systems for processing leasing contracts. Costs for ongoing development projects are included at cost. The value of ongoing development projects is expected to be at least equal to the book value, based on expectations of future earnings resulting from the development project. There is uncertainty associated with these expectations, as the value of the development project depends on continued customer growth in the company.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	33,203
Cost end of year	**33,203**
Depreciation and impairment losses beginning of year	(19,195)
Depreciation for the year	(14,008)
Depreciation and impairment losses end of year	**(33,203)**
Carrying amount end of year	**0**

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	6,148,643	37,590
Additions	2,000,000	0
Disposals	0	(37,590)
Cost end of year	**8,148,643**	**0**
Impairment losses for the year	(6,645,347)	0
Impairment losses end of year	**(6,645,347)**	**0**
Carrying amount end of year	**1,503,296**	**0**

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Leneo AB	Sweden	AB	100.00

9 Tax receivable

The outstanding corporate tax receivable included in the balance sheet relates to the use of the tax credit scheme under section 8X of the Danish Tax Assessment Act, whereby the company receives payment for the tax value of losses resulting from research and development expenses.

Based on the review of the criteria forusing the scheme, it is management's clear understanding that the company is eligible to use the scheme, and the recognition has been made based on this assessment. There is a risk that the Danish Tax Authority may determine that the conditions for using the scheme have not been met. If so, subsequent financialyears will be negatively affected by the reduction of the outstanding corporate tax receivable through "Tax for the year" in the consolidated statement of profit or loss and other comprehensive income.

10 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Debt to other credit institutions	673,933	326,526	1,497,511	0
Payables to owners and management	0	0	5,029,667	5,029,667
Other payables	0	0	495,256	495,256
	673,933	**326,526**	**7,022,434**	**5,524,923**

Payables to owners and management consists of a convertible loan, which under certain circumstances can be converted to equity before or on the 30th of December 2024.

11 Deferred income

Deferred income comprises income received for recognition in following financial year.

12 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	**596,003**	**171,432**

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, with minor reclassifications.

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 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, own work capitalised, other operating income and external expenses.

Revenue

Revenue from the sale licenses are recognised in the income statement when the risk has passed to the buyer during the contractual period. 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, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

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 relates to depreciation of intangible assets and property, plant and equipment.

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 and write-down to recoverable amount.

Other financial income

Other financial income comprises interest income from bank deposits

Other financial expenses

Other financial expenses comprise interest expenses.

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 and in progress.

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.
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 5 years.

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

Property, plant and equipment

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:

	Useful life
Other fixtures and fittings, tools and equipment	4 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 measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

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.