

Nørregaard Årre ApS

Ravnholtgyden 5, 6600 Vejen
CVR no. 40 11 12 47

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 19.05.23

Jens Ohnemus
Dirigent

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The company

Nørregaard Årre ApS
Ravnholtgyden 5
6600 Vejen
CVR no.: 40 11 12 47
Financial year: 01.01 - 31.12

Executive Board

Director Hans Thor Jensen

Board of Directors

Director Hans Thor Jensen
Chairman Jens Ohnemus
Non-executive diector Maria Carlsson

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for Nørregaard Årre ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.22 and of the results of the company's activities for the financial year 01.01.22 - 31.12.22.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Vejen, May 17, 2023

Executive Board

Hans Thor Jensen
Director

Board of Directors

Hans Thor Jensen
Director

Jens Ohnemus
Chairman

Maria Carlsson
Non-executive director

To the capital owners of Nørregaard Årre ApS**Opinion**

We have audited the financial statements of Nørregaard Årre ApS for the financial year 01.01.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.22 and of the results of the company's operations for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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' 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.

Statement regarding the 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, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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.

Næstved, June 2, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Daniel Lindebæk Hansen
State Authorized Public Accountant
MNE-no. mne45340

Lars Engelsted Petersen
State Authorized Public Accountant
MNE-no. mne11683

Primary activities

The company's activities comprise in operation of farm and farmland.

Development in activities and financial affairs

The income statement for the period 01.01.22 - 31.12.22 shows a profit/loss of EUR 1,485,167 against EUR -219,651 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of EUR 2,539,733.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note	2022 EUR	2021 EUR
Gross profit	1,580,268	452,088
1 Staff costs	-452,236	-415,390
Depreciation and impairments losses of property, plant and equipment	-393,973	-211,256
Other operating expenses	-5,136	-3,437
Operating profit/loss	728,923	-177,995
Income from participating interests	495	0
Financial income	1,402,828	4,865
Financial expenses	-223,646	-109,724
Profit/loss before tax	1,908,600	-282,854
Tax on profit or loss for the year	-423,433	63,203
Profit/loss for the year	1,485,167	-219,651
Proposed appropriation account		
Retained earnings	1,485,167	-219,651
Total	1,485,167	-219,651

ASSETS		31.12.22	31.12.21
Note		EUR	EUR
	Acquired rights	0	153,308
2	Total intangible assets	0	153,308
	Land and buildings	4,145,884	4,044,347
	Investment properties	8,653,430	8,024,408
	Other fixtures and fittings, tools and equipment	1,477,486	1,384,957
	Biological assets	915,388	787,144
	Property, plant and equipment under construction	0	17,481
3	Total property, plant and equipment	15,192,188	14,258,337
4	Equity investments in participating interests	47,483	33,008
4	Other investments	7,466	774
	Total investments	54,949	33,782
	Total non-current assets	15,247,137	14,445,427
	Raw materials and consumables	774,422	555,722
	Biological assets	3,496	3,550
	Total inventories	777,918	559,272
	Trade receivables	398,825	169,270
	Receivables from group enterprises	167,970	20,799
	Income tax receivable	0	63,803
	Other receivables	76	145,437
	Prepayments	2,926	0
	Total receivables	569,797	399,309
	Cash	9,396	19,267
	Total current assets	1,357,111	977,848
	Total assets	16,604,248	15,423,275

EQUITY AND LIABILITIES		31.12.22	31.12.21
		EUR	EUR
Note			
	Share capital	6,696	6,696
	Revaluation reserve	1,708,528	1,276,521
	Retained earnings	824,509	-660,658
	Total equity	2,539,733	622,559
	Provisions for deferred tax	658,464	283,941
	Total provisions	658,464	283,941
5	Mortgage debt	4,051,658	5,336,437
5	Payables to group enterprises	8,704,849	8,708,530
5	Deposits	5,042	5,042
	Total long-term payables	12,761,549	14,050,009
5	Short-term part of long-term payables	29,368	28,932
	Trade payables	202,617	368,554
	Payables to group enterprises	87,044	39,333
	Income taxes	254,111	0
	Other payables	68,805	29,947
	Deferred income	2,557	0
	Total short-term payables	644,502	466,766
	Total payables	13,406,051	14,516,775
	Total equity and liabilities	16,604,248	15,423,275

6 Fair value information

7 Contingent liabilities

8 Charges and security

Statement of changes in equity

Figures in EUR	Share capital	Revaluation reserve	Retained earnings	Total equity
Statement of changes in equity for 01.01.22 - 31.12.22				
Balance as at 01.01.22	6,696	1,276,521	-660,658	622,559
Revaluations during the year	0	638,733	0	638,733
Dissolution of revaluations in respect of previous years	0	-84,878	0	-84,878
Tax on changes in equity	0	-121,848	0	-121,848
Net profit/loss for the year	0	0	1,485,167	1,485,167
Balance as at 31.12.22	6,696	1,708,528	824,509	2,539,733

	2022	2021
	EUR	EUR
1. Staff costs		
Wages and salaries	435,997	396,503
Pensions	-398	903
Other social security costs	8,379	9,264
Other staff costs	8,258	8,720
Total	452,236	415,390
Average number of employees during the year	8	7

2. Intangible assets

Figures in EUR	Acquired rights
Cost as at 01.01.22	68,806
Cost as at 31.12.22	68,806
Revaluations as at 01.01.22	84,502
Revaluations as at 31.12.22	84,502
Impairment losses during the year	-153,308
Amortisation and impairment losses as at 31.12.22	-153,308
Carrying amount as at 31.12.22	0

3. Property, plant and equipment

Figures in EUR	Land and buildings	Investment properties	Other fixtures and fittings, tools and equipment	Biological assets
Cost as at 01.01.22	4,306,437	6,462,617	1,769,242	787,144
Additions during the year	229,003	0	326,130	42,264
Disposals during the year	0	0	-96,346	0
Transfers during the year to/from other items	0	0	0	0
Cost as at 31.12.22	4,535,440	6,462,617	1,999,026	829,408
Revaluations as at 01.01.22	0	1,552,080	0	0
Revaluations during the year	0	638,733	0	0
Revaluations as at 31.12.22	0	2,190,813	0	0
Depreciation and impairment losses as at 01.01.22	-234,898	0	-384,285	0
Depreciation during the year	-154,658	0	-170,372	0
Reversal of depreciation of and impairment losses on disposed assets	0	0	33,117	0
Depreciation and impairment losses as at 31.12.22	-389,556	0	-521,540	0
Fair value adjustments during the year	0	0	0	85,980
Fair value adjustments as at 31.12.22	0	0	0	85,980
Carrying amount as at 31.12.22	4,145,884	8,653,430	1,477,486	915,388
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.12.22	4,145,884	6,462,617	1,477,486	829,408

4. Investments

Figures in EUR	Equity investments in participating interests	Other invest- ments
Cost as at 01.01.22	33,782	774
Additions during the year	13,701	6,692
Cost as at 31.12.22	47,483	7,466
Carrying amount as at 31.12.22	47,483	7,466

5. Long-term payables

Figures in EUR	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.22	Total payables at 31.12.21
Mortgage debt	29,368	3,966,349	4,081,026	5,365,369
Payables to group enterprises	0	0	8,704,849	8,708,530
Deposits	0	5,042	5,042	5,042
Total	29,368	3,971,391	12,790,917	14,078,941

6. Fair value information

Figures in EUR	Investment pro- perties	Biological assets	Inventories (biological assets)
Fair value as at 31.12.22	8,653,430	915,388	3,496
Unrealised changes of fair value recognised in the income statement for the year	0	85,980	591
Unrealised changes of fair value recognised in equity for the year	638,733	0	0

7. Contingent liabilities*Other contingent liabilities*

The company is taxed jointly with the other companies in the group and has joint, several and unlimited liability for income taxes for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

8. Charges and security

Land and buildings with a carrying amount of EUR 12.799.314 have been provided as security for mortgage debt of EUR 4.081.026.

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Euro (EUR).

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and raw materials and consumables and other external expenses.

9. Accounting policies - continued -

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid.

Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

9. Accounting policies - continued -**Depreciation and impairment losses**

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	0	0%
Buildings	8-50	16-25%
Other plant, fixtures and fittings, tools and equipment	8-25	0-12%

Land is not depreciated.

Biological assets are not depreciated.

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Income from participating interests

For equity investments in participating interests, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses. For participating interests only the proportionate share of intercompany gains and losses is eliminated.

Income from equity investments in participating interests also comprises gains and losses on the sale of equity investments.

9. Accounting policies - continued -

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Acquired rights

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

9. Accounting policies - continued -**Property, plant and equipment***Investment properties*

Investment properties comprise investments in land for the purpose of earning a return on such investments in the form of regular operating income and capital gains on sale. Investment properties are recognised at cost at the date of acquisition. Cost comprises the purchase price plus expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Investment properties are subsequently measured in the balance sheet at cost with revaluation at fair value recognised under the revaluation reserve in equity. An independent valuer has been used to determine the fair value

Biological assets

On initial recognition, biological assets, which comprise living plants and animals that are biological transformed and acquired for the purpose of sale, conversion, consumption or breeding/culture of further animals and plants, are measured at cost. Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Subsequent to initial recognition, biological assets are measured in the balance sheet at fair value less costs to sell. Fair value is determined at the most recent selling prices ascertained in markets for similar assets.

Other property, plant and equipment

Other property, plant and equipment comprise land and buildings as well as other fixtures and fittings, tools and equipment.

Other property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Other property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

9. Accounting policies - continued -

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in participating interests

Participating interests are recognised and measured according to the equity method. For participating interests, the equity method is considered a measurement method.

Acquired participating interests are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of acquired participating interests are measured at fair value at the date of acquisition.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

On the acquisition of participating interests, goodwill is recognised on a proportionate basis based on the actual ownership interest in the acquired equity investments.

The goodwill (positive difference) determined at the date of acquisition is recognised under participating interests. For negative goodwill (negative difference), a reassessment is made of the fair values determined for the proportionate share of the net assets acquired and the purchase price of the equity investments. Negative goodwill that is attributable to contingent liabilities at the date of acquisition is recognised under participating interests and reduced in line with the realisation of these liabilities. Any remaining negative difference (negative goodwill) is recognised in the income statement at the date of

9. Accounting policies - continued -

acquisition. Goodwill and negative goodwill from acquired enterprises are adjusted until 12 months after the date of acquisition.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to weighted average prices. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

9. Accounting policies - continued -

On initial recognition, biological assets, which comprise living plants and animals for biological transformation, acquired for the purpose of sale, conversion, consumption or breeding/culture of further animals and plants, are measured at cost. Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. During the period of growth and until the time of harvest, biological assets are measured in the balance sheet at fair value less expected selling costs. Fair value is the amount at which the assets could be sold to an independent buyer. Fair value is determined at the most recent selling prices ascertained in markets for similar assets.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Other investments

Other securities are measured at fair value, equivalent to the market value at the balance sheet date.

Equity investments that are not classified as group enterprises, associates or participating interests and which are not traded in an active market are measured in the balance sheet at cost.

9. Accounting policies - continued -

Cash

Cash includes deposits in bank account.

Equity

Revaluation reserve comprises revaluation of investment properties at fair value. The revaluation reserve is measured less deferred tax and reduced by depreciation of the revalued assets. On the disposal of the assets, the remaining amount is transferred from the revaluation reserve to retained earnings.

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

9. Accounting policies - continued -**Payables**

Deposits recognised under liabilities comprise deposits received from lessees under the company's leases.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.