

# **KNSA Hospitality Kopenhagen ApS**

**Pilestræde 65, 1112 København K**

## **Annual report for 2023**

**CVR no. 42 54 03 82**

Adopted at the annual general meeting on 2 April 2024

chairman: Steffen Sebastian Fox

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## Statement by management on the annual report

The executive board has today discussed and approved the annual report of KNSA Hospitality Kopenhagen ApS for the financial year 1 January - 31 December 2023.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2023.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 2 April 2024

### Executive board

Steffen Sebastian Fox  
Director

## Independent auditor's report

*To the shareholder of KNSA Hospitality Copenhagen ApS*

### **Opinion**

We have audited the financial statements of KNSA Hospitality Copenhagen ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities for the financial statements**

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

## Independent auditor's report

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

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

## Independent auditor's report

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 Act. We did not identify any material misstatement of management's review.

Copenhagen, 2 April 2024

Ecovis Danmark  
statsautoriseret revisionsinteressentskab  
CVR no. 28 93 95 23

Kurt Bülow  
Statsautoriseret revisor  
mne3112

## Company details

### The company

KNSA Hospitality Kopenhagen ApS  
Pilestræde 65  
1112 København K

CVR no.: 42 54 03 82

Reporting period: 1 January - 31 December 2023

Domicile: Copenhagen

### Executive board

Steffen Sebastian Fox

### Auditors

Ecovis Danmark  
statsautoriseret revisionsinteressentskab  
Vendersgade 28 st. th  
1363 København K

## Financial highlights

Seen over a 3-year period, the development of the Company may be described by means of the following financial highlights:

	2023	2022	2021
	TDKK	TDKK	TDKK
<b>Key figures</b>			
Gross profit/loss	22.607	26.827	968
Profit/loss before amortisation/depreciation and impairment losses	-11.728	-4.925	143
Profit/loss before net financials	-11.525	-5.147	143
Net financials	-2.635	-1.699	-155
Profit/loss for the year	-14.160	-6.846	-13
Balance sheet total	12.197	10.581	7.736
Equity	-20.979	-6.819	27
<b>Financial ratios</b>			
Return on assets	-101,2%	-56,2%	3,7%
Solvency ratio	-172,0%	-64,4%	0,3%
Return on equity	101,9%	201,6%	-96,3%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..



## Management's review

### Business review

The company's main activity is to operate hotels and other public places such as guest houses, bars, restaurants and the like, construction, purchase and sale, rental, active and passive rental of the same.

It has been decided to present the Annual Accounts in English.

### Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

### Unusual matters

The company's financial position at 31 December 2023 and the results of its operations and cash flows for the financial year ended 31 December 2023 are not affected by any unusual matters.

### Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 14.160.069, and the balance sheet at 31 December 2023 shows negative equity of DKK 20.979.159.

The process of getting the operation in a normal and static business flow, has taken longer than expected both in relation to operation and administration. It has been a challenge to attract customers to the F&B outlets

### Expected development of the company, including specific prerequisites and uncertainties

There are different scenarios to use the premises where the Café was previously located. A new sales director has started in 2024 to drive proactive sales for both accommodation and for conference and events. The administration will, for the first months of the year prepare the opening of Paper Island. There will be strong focus on keeping room rates attract customers to the F&B outlets. It is planned to establish a concierge desk in order to increase the service level.

### The company's knowledge resources if of particular importance to its future earnings

In order for KNSA Hospitality Copenhagen ApS to continuously deliver the highest level of service and maintain its market share, it is crucial that the company can recruit and retain employees with a high professional level. It is the Company's objective that the company has the highest degree of knowledge and professional seniority in all essential areas, and that KNSA Hospitality Copenhagen ApS through training and quality assurance can support the value base - cooperation, quality, and responsibility.

There are several staff benefits in place that contribute to maintain employee's satisfaction for their workplace

## **Management's review**

### **Impact on the external environment and measures taken to prevent, reduce or mitigate damage**

The company is environmentally conscious and continuously works to reduce the environmental impacts of the company's operation. There is cooperation with "too good to go" to reduce food waste. It is under consideration to get Certification of green key. The supplier of lined and working clothes Elis is "svanemærket" and thereby reduces use of water and energy. Moreover, Elis use environmentally friendly washing liquids.

### **Research and development activities in or for the company**

There is currently no research or development going on in the company.

### **Group relations**

KNSA Germany sub-group consolidation, Parent Company: KNSA Hospitality Germany GmbH

KNSA France group consolidation, Parent Company: KNSA Hotels France SAS

## Income statement

### 1 January - 31 December

	Note	2023 DKK	2022 DKK
<b>Gross profit</b>		<b>22.607.255</b>	<b>26.827.022</b>
Staff costs	3	<u>-34.334.875</u>	<u>-31.751.598</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>-11.727.620</b>	<b>-4.924.576</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-56.051	-15.340
Other operating costs		<u>258.605</u>	<u>-207.235</u>
<b>Profit/loss before net financials</b>		<b>-11.525.066</b>	<b>-5.147.151</b>
Financial income		30.277	13.080
Financial costs		<u>-2.665.280</u>	<u>-1.712.354</u>
<b>Profit/loss for the year</b>		<b><u>-14.160.069</u></b>	<b><u>-6.846.425</u></b>
Retained earnings		<u>-14.160.069</u>	<u>-6.846.425</u>
		<b><u>-14.160.069</u></b>	<b><u>-6.846.425</u></b>

## Balance sheet 31 December

	Note	2023 DKK	2022 DKK
<b>Assets</b>			
Property, plant and equipment	4	109.661	123.373
<b>Tangible assets</b>		<b>109.661</b>	<b>123.373</b>
Deposits		0	8.700
<b>Fixed asset investments</b>		<b>0</b>	<b>8.700</b>
<b>Total non-current assets</b>		<b>109.661</b>	<b>132.073</b>
Finished goods and goods for resale		1.593.905	1.425.728
<b>Stocks</b>	5	<b>1.593.905</b>	<b>1.425.728</b>
Trade receivables		1.020.138	3.131.859
Other receivables		548.816	462.120
Prepayments	6	485.352	1.071.726
<b>Receivables</b>		<b>2.054.306</b>	<b>4.665.705</b>
<b>Cash at bank and in hand</b>		<b>8.439.455</b>	<b>4.357.265</b>
<b>Total current assets</b>		<b>12.087.666</b>	<b>10.448.698</b>
<b>Total assets</b>		<b>12.197.327</b>	<b>10.580.771</b>

## Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
<b>Equity and liabilities</b>			
Share capital		40.000	40.000
Retained earnings		-21.019.159	-6.859.090
<b>Equity</b>		<b>-20.979.159</b>	<b>-6.819.090</b>
Trade payables		4.317.371	5.824.627
Payables to group		20.747.096	5.197.025
Other payables		5.715.240	4.995.002
Deferred income	7	2.396.779	1.383.207
<b>Total current liabilities</b>		<b>33.176.486</b>	<b>17.399.861</b>
<b>Total liabilities</b>		<b>33.176.486</b>	<b>17.399.861</b>
<b>Total equity and liabilities</b>		<b>12.197.327</b>	<b>10.580.771</b>

## Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2023	40.000	-6.859.090	-6.819.090
Net profit/loss for the year	0	-14.160.069	-14.160.069
<b>Equity at 31 December 2023</b>	<b>40.000</b>	<b>-21.019.159</b>	<b>-20.979.159</b>

	Share capital	Retained earnings	Total
Equity at 1 January 2022	40.000	-12.665	27.335
Net profit/loss for the year	0	-6.846.425	-6.846.425
<b>Equity at 31 December 2022</b>	<b>40.000</b>	<b>-6.859.090</b>	<b>-6.819.090</b>

## Cash flow statement 1 January - 31 December

	Note	2023 DKK	2022 DKK
Net profit/loss for the year		-14.160.069	-6.846.425
Adjustments	11	2.691.054	1.714.614
Change in working capital	12	2.678.476	5.469.281
<b>Cash flows from operating activities before financial income and expenses</b>		<b>-8.790.539</b>	<b>337.470</b>
Interest income and similar income		30.277	13.080
Interest expenses and similar charges		-2.665.280	-1.712.354
<b>Cash flows from operating activities</b>		<b>-11.425.542</b>	<b>-1.361.804</b>
Purchase of property, plant and equipment		-42.339	-138.713
<b>Cash flows from investing activities</b>		<b>-42.339</b>	<b>-138.713</b>
Raising of loans from group		15.550.071	5.197.025
<b>Cash flows from financing activities</b>		<b>15.550.071</b>	<b>5.197.025</b>
<b>Change in cash and cash equivalents</b>		<b>4.082.190</b>	<b>3.696.508</b>
Cash and cash equivalents		4.357.265	660.757
<b>Cash and cash equivalents</b>		<b>8.439.455</b>	<b>4.357.265</b>
Analysis of cash and cash equivalents:			
Cash at bank and in hand		8.439.455	4.357.265
<b>Cash and cash equivalents</b>		<b>8.439.455</b>	<b>4.357.265</b>

## Notes

### 1 Uncertainty about the continued operation (going concern)

Sole shareholder 25hours Hotel Company GmbH, declare it will support KNSA Hospitality Kopenhagen ApS (CVR-nr. 42 54 03 82) economic and financial, to ensure the activities in the subsidiary in the next 12 months from balance date for the financial year 2023. The purpose of the support declaration is to ensure all payment obligations to financial creditors and creditors in general

	<u>2023</u> DKK	<u>2022</u> DKK
<b>2 Other operating income</b>		
Other operating revenues	0	8.169.909
Wage reimbursements (sick pay)	<u>281.577</u>	<u>27.878</u>
	<b><u>281.577</u></b>	<b><u>8.197.787</u></b>
<b>3 Staff costs</b>		
Wages and salaries	31.048.597	29.226.195
Pensions	2.605.120	1.950.445
Other social security costs	<u>681.158</u>	<u>574.958</u>
	<b><u>34.334.875</u></b>	<b><u>31.751.598</u></b>
Number of fulltime employees on average	<u>75</u>	<u>70</u>



## Notes

### 4 Tangible assets

	<u>Property, plant and equipment</u>
Cost at 1 January 2023	127.512
Additions for the year	<u>42.339</u>
Cost at 31 December 2023	<u>169.851</u>
Revaluations at 1 January 2023	<u>0</u>
Revaluations at 31 December 2023	<u>0</u>
Impairment losses and depreciation at 1 January 2023	4.139
Depreciation for the year	<u>56.051</u>
Impairment losses and depreciation at 31 December 2023	<u>60.190</u>
<b>Carrying amount at 31 December 2023</b>	<b><u>109.661</u></b>

	<u>2023</u> DKK	<u>2022</u> DKK
<b>5 Stocks</b>		
Finished goods and goods for resale	<u>1.593.905</u>	<u>1.425.728</u>
<b>The replacement value for the inventory is the same as the inventory was recorded for.</b>	<b><u>1.593.905</u></b>	<b><u>1.425.728</u></b>

### 6 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums.

### 7 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years.

## Notes

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>8 Rent and lease liabilities</b>		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	60.346.037	49.572.000
Between 1 and 5 years	247.736.362	225.990.000
After 5 years	<u>867.077.266</u>	<u>852.930.000</u>
	<b><u>1.175.159.665</u></b>	<b><u>1.128.492.000</u></b>

The rent is index-adjusted annually, the future rent obligation is adjusted with the year's index adjustment but not the future ones as this is considered too uncertain.

## 9 Contingent liabilities

### Recourse and non-recourse guarantee commitments

As management company, the company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes. The joint taxation is only applicable as of 31 December 2024, since the subsidiary has extended the financial year, the joint taxation covers part of the year 2023.

## 10 Related parties and ownership structure

### Controlling interest

Steffen Fox, 22301 Hamburg, Germany

### Transactions

Germany: I/C loan.

Paper Island: Purchases and related payments for preparing Paper Island for opening. Further, cluster services

### Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

KNSA Hospitality Germany GmbH, Ericus 1 Zollhaus, 20457 Hamburg, Germany.

## Notes

### 10 Related parties and ownership structure (continued)

#### Consolidated financial statements

The group report of can be obtained at the following address:

KNSA Germany sub-group consolidation

Parent Company:

KNSA Hospitality Germany GmbH  
Ericus 1, Zollhaus  
20457 Hamburg  
Germany  
Public register: [www.bundesanzeiger.de](http://www.bundesanzeiger.de)

KNSA France group consolidation:

Parent Company:  
KNSA Hotels France SAS  
24 rue des Capucines  
75002 Paris  
France  
Public register: [www.infogreffe.fr](http://www.infogreffe.fr)

## Notes

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>11 Cash flow statement - adjustments</b>		
Financial income	-30.277	-13.080
Financial costs	2.665.280	1.712.354
Depreciation, amortisation and impairment losses	56.051	15.340
	<u><b>2.691.054</b></u>	<u><b>1.714.614</b></u>
<b>12 Cash flow statement - change in working capital</b>		
Change in inventories	-168.177	-1.425.728
Change in receivables	2.620.099	2.400.462
Change in trade payables, etc.	226.554	4.494.547
	<u><b>2.678.476</b></u>	<u><b>5.469.281</b></u>

## Accounting policies

The annual report of KNSA Hospitality Copenhagen ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

### 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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### Income statement

#### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

#### Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

## Accounting policies

### Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

### Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Accounting policies

### Balance sheet

#### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Assets costing less than DKK 32.000 are expensed in the year of acquisition.

#### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

#### Receivables

Receivables are measured at amortised cost.

#### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

## Accounting policies

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### Income tax and deferred tax

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

### Financial Highlights

Definitions of financial ratios.

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