



Ropenhagen A/S

Hørskættens 14-16
2630 Taastrup
CVR No. 20039191

Annual report 2024

The Annual General Meeting adopted the
annual report on 27.03.2025

Dan Stampe-Terkildsen

Chairman of the General Meeting

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Entity details

Entity

Ropenhagen A/S
Hørskættens 14-16
2630 Taastrup

Business Registration No.: 20039191
Registered office: Høje-taastrup
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Dan Stampe-Terkildsen
Edwin Adrianus Wilhelmus Jacobus van Steen
Troels Peter Troelsen
Peter Birk Nielsen
Anders Kunze Bønding

Executive Board

Peter Birk Nielsen

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 Ropenhagen A/S for the financial year 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of its operations and cash flows for the financial year 01.01.2024 - 31.12.2024.

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.

Taastrup, 27.03.2025

Executive Board

Peter Birk Nielsen

Board of Directors

Dan Stampe-Terkildsen

Edwin Adrianus Wilhelmus Jacobus van Steen

Troels Peter Troelsen

Peter Birk Nielsen

Anders Kunze Bønding

Independent auditor's report

To the shareholders of Ropenhagen A/S

Opinion

We have audited the financial statements of Ropenhagen A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2024 and of the results of its operations and cash flows for the financial year 01.01.2024 - 31.12.2024 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.

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.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 27.03.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Carøe Andersen

State Authorised Public Accountant
Identification No (MNE) mne34499

Arif Aygar

State Authorised Public Accountant
Identification No (MNE) mne50634

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	28,313	26,028	43,048	35,923	25,344
Operating profit/loss	17,062	15,064	32,865	26,832	16,071
Net financials	91	(550)	584	39	(1,602)
Profit/loss for the year	12,551	11,291	26,083	20,914	11,242
Total assets	83,728	72,257	99,952	77,263	59,331
Investments in property, plant and equipment	440	52	129	1,576	331
Equity	36,462	35,911	44,620	36,537	27,623
Ratios					
Return on equity (%)	34.68	28.04	64.28	65.19	49.85
Equity ratio (%)	43.55	49.70	44.64	47.29	46.56

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The Company's main activity is sale and distribution of steel cables.

Development in activities and finances

The Company realised a profit after tax of DKK 12,551 k. The Company's balance sheet shows total assets of DKK 83,278 k. and equity of DKK 36,462 k.

The company has established a subsidiary in Belgium during the financial year, Cabnam Srl. Further, the subsidiary acquired a business activity in Belgium. The company has provided a loan to the subsidiary in connection with the acquisition.

Profit/loss for the year in relation to expected developments

The profit before tax has increased compared with 2023. Management considers the result to be satisfactory and in line with expectations

Outlook

After merging our acquisition Cabnam into Ropenhagen from January 1st 2025, we have experienced very good activity and expect 2025 to be better both on top and bottom line than 2024. We are executing well on our forward plans and look forward to seeing which other possibilities might occur moving forward.

Profit before tax is expected to be DKK 17-25 million.

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 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		28,313,475	26,027,674
Staff costs	2	(10,890,667)	(10,612,211)
Depreciation, amortisation and impairment losses	3	(360,893)	(351,448)
Operating profit/loss		17,061,915	15,064,015
Income from investments in group enterprises		(802,396)	0
Other financial income from group enterprises		548,791	0
Other financial income	4	408,454	195,507
Other financial expenses	5	(866,651)	(745,836)
Profit/loss before tax		16,350,113	14,513,686
Tax on profit/loss for the year	6	(3,799,310)	(3,222,639)
Profit/loss for the year	7	12,550,803	11,291,047

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Plant and machinery		473,941	158,560
Other fixtures and fittings, tools and equipment		778,654	1,014,928
Property, plant and equipment	8	1,252,595	1,173,488
Investments in group enterprises		2,177,604	0
Deposits		1,160,092	1,167,640
Financial assets	9	3,337,696	1,167,640
Fixed assets		4,590,291	2,341,128
Manufactured goods and goods for resale		26,040,187	37,935,525
Prepayments for goods		1,152,501	739,239
Inventories		27,192,688	38,674,764
Trade receivables		26,507,738	29,675,151
Receivables from group enterprises		24,662,286	0
Other receivables		31,859	75,757
Tax receivable		0	84,361
Prepayments	10	131,040	311,693
Receivables		51,332,923	30,146,962
Cash		612,080	1,094,196
Current assets		79,137,691	69,915,922
Assets		83,727,982	72,257,050

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		3,000,000	3,000,000
Retained earnings		27,461,734	28,910,931
Proposed dividend		6,000,000	4,000,000
Equity		36,461,734	35,910,931
Deferred tax	11	44,000	29,000
Provisions		44,000	29,000
Bank loans		14,494,856	4,843,938
Prepayments received from customers		387,964	0
Trade payables		27,519,478	29,740,065
Payables to group enterprises		0	202,391
Joint taxation contribution payable		3,767,661	0
Other payables		1,052,289	1,530,725
Current liabilities other than provisions		47,222,248	36,317,119
Liabilities other than provisions		47,222,248	36,317,119
Equity and liabilities		83,727,982	72,257,050
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Statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	3,000,000	28,910,931	4,000,000	35,910,931
Ordinary dividend paid	0	0	(4,000,000)	(4,000,000)
Extraordinary dividend paid	0	(8,000,000)	0	(8,000,000)
Profit/loss for the year	0	6,550,803	6,000,000	12,550,803
Equity end of year	3,000,000	27,461,734	6,000,000	36,461,734

Cash flow statement for 2024

	Notes	2024 DKK	2023 DKK
Operating profit/loss		17,061,915	15,064,015
Amortisation, depreciation and impairment losses		360,893	351,448
Working capital changes	12	8,521,494	19,510,581
Cash flow from ordinary operating activities		25,944,302	34,926,044
Financial income received		957,245	195,507
Financial expenses paid		(866,650)	(745,836)
Taxes refunded/(paid)		67,707	(10,663,586)
Cash flows from operating activities		26,102,604	23,712,129
Acquisition etc of property, plant and equipment		(440,000)	(52,000)
Acquisition of fixed asset investments		(26,493)	0
Acquisition of enterprises		(2,980,000)	0
Loans		(20,789,146)	0
Cash flows from investing activities		(24,235,639)	(52,000)
Free cash flows generated from operations and investments before financing		1,866,965	23,660,129
Dividend paid		(12,000,000)	(20,000,000)
Change in short-term debt to banks		9,650,919	(5,973,860)
Cash flows from financing activities		(2,349,081)	(25,973,860)
Increase/decrease in cash and cash equivalents		(482,116)	(2,313,731)
Cash and cash equivalents beginning of year		1,094,196	3,407,927
Cash and cash equivalents end of year		612,080	1,094,196
Cash and cash equivalents at year-end are composed of:			
Cash		612,080	1,094,196
Cash and cash equivalents end of year		612,080	1,094,196

Notes

1 Events after the balance sheet date

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

2 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	10,015,070	9,623,783
Pension costs	9,866	0
Other social security costs	865,731	988,428
	10,890,667	10,612,211
Average number of full-time employees	12	12

	Remuneration of Management 2024 DKK	Remuneration of Management 2023 DKK
Total amount for management categories	4,254,355	2,660,316
	4,254,355	2,660,316

3 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Depreciation of property, plant and equipment	360,893	351,448
	360,893	351,448

4 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	28,900	0
Other interest income	28,908	25,825
Exchange rate adjustments	350,646	169,682
	408,454	195,507

5 Other financial expenses

	2024 DKK	2023 DKK
Financial expenses from group enterprises	0	7,784
Other interest expenses	787,072	663,350
Other financial expenses	79,579	74,702
	866,651	745,836

6 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	3,767,661	3,223,639
Change in deferred tax	15,000	(1,000)
Adjustment concerning previous years	16,649	0
	3,799,310	3,222,639

7 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Ordinary dividend for the financial year	6,000,000	4,000,000
Retained earnings	6,550,803	7,291,047
	12,550,803	11,291,047

8 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2,361,796	2,785,895
Additions	440,000	0
Disposals	(280,000)	0
Cost end of year	2,521,796	2,785,895
Depreciation and impairment losses beginning of year	(2,203,236)	(1,770,967)
Depreciation for the year	(124,619)	(236,274)
Reversal regarding disposals	280,000	0
Depreciation and impairment losses end of year	(2,047,855)	(2,007,241)
Carrying amount end of year	473,941	778,654

9 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	0	1,167,640
Addition through business combinations etc	2,980,000	0
Additions	0	26,493
Disposals	0	(34,041)
Cost end of year	2,980,000	1,160,092
Impairment losses for the year	(802,396)	0
Impairment losses end of year	(802,396)	0
Carrying amount end of year	2,177,604	1,160,092

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Cabnam Srl	Belgium	SrL	100.00	2,181,599	(802,396)

10 Prepayments

Prepayments under assets consists of costs incurred which relates to future accounting periods.

11 Deferred tax

	2024 DKK	2023 DKK
Property, plant and equipment	44,000	29,000
Deferred tax	44,000	29,000

Changes during the year	2024 DKK	2023 DKK
Beginning of year	29,000	30,000
Recognised in the income statement	15,000	(1,000)
End of year	44,000	29,000

12 Changes in working capital

	2024 DKK	2023 DKK
Increase/decrease in inventories	11,482,076	18,709,662
Increase/decrease in receivables	(447,134)	6,659,068
Increase/decrease in trade payables etc	(2,513,448)	(5,858,149)
	8,521,494	19,510,581

13 Financial instruments

The company has signed currency futures contracts to hedge the currency risk on trade payables in USD. Currency futures contracts have been signed with Spar Nord Bank and have a maturity of 12 months.

14 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Liabilities under rental or lease agreements until maturity in total	1,569,901	1,596,789

15 Contingent liabilities

The company have a letter of credit to their bank institutions of EUR 1,341 thousand.

The Entity participates in a Danish joint taxation arrangement where Birk Nielsen ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

16 Assets charged and collateral

Bank debt is secured by way of registered company charge of DKK 40,000 thousand. The carrying amount of mortgaged assets is DKK 79,551 thousand.

17 Related parties with controlling interest

Birk Nielsen ApS, Copenhagen owns 80% of the shares in the Entity, thus exercising control.

18 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Birk Nielsen ApS, Copenhagen

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of 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.

Other financial income from group enterprises

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

Other financial income

Other financial income comprises interest income, net capital gains on payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

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
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years

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 recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

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 cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, payment of dividend and short-term bank loans.

Cash and cash equivalents comprise cash.