
TrueStory ApS

Michael Drewsens Vej 13, DK-8270 Højbjerg

Annual Report for 1 January 2023 - 30 April 2024

CVR No. 34 05 24 25

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 10/7 2024

Fanny Ponce
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of TrueStory ApS for the financial year 1 January 2023 - 30 April 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 April 2024 of the Company and of the results of the Company operations for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Højbjerg, 10 July 2024

Executive Board

René Torp Drewsen
Manager

Board of Directors

Fanny Ponce
Chairman

Franck Villet

Patrick Lemaire

Frederic Leleux

Independent Auditor's report

To the shareholders of TrueStory ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2024 and of the results of the Company's operations for the financial year 1 January 2023 - 30 April 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of TrueStory ApS for the financial year 1 January 2023 - 30 April 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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 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.

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, in our view, 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 in Management's Review.

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 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.

Independent Auditor's report

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 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.

Aarhus C, 10 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Christian Roding
State Authorised Public Accountant
mne33714

Linda Højland
State Authorised Public Accountant
mne45871

Company information

The Company

TrueStory ApS
Michael Drewsens Vej 13
8270 Højbjerg

CVR No: 34 05 24 25

Financial period: 1 January 2023 - 30 April 2024

Incorporated: 10 November 2011

Financial year: 13th financial year

Municipality of reg. office: Aarhus

Board of Directors

Fanny Ponce, chairman
Franck Villet
Patrick Lemaire
Frederic Leleux

Executive Board

René Torp Drewsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Management's review

Key activities

The company's activity is sale of gifts experiences and any related leisure business. The company's vision is to inspire people to live experience more together.

Main events:

On July 4, 2023, Smartbox Group the leader of the distribution of gift-experiences throughout Europe acquired 100% of the shares of Truestory ApS.

On April 15, 2024, Truestory ApS sold all its intellectual property rights of the brand True Story to Smartbox Group. The purchase price was: DKK 9,997,245.

The company changed its fiscal year end closing date from December 31 to April 30. This year the exercise has a duration of 16 months.

So that to align with Smartbox Group accounting principles and rules, the company now recognizes revenues for open gift cards at the time of distribution of the vouchers and not at the time of use of those vouchers compared to previous years. The impact has been booked into the profit and loss account for + DKK 5,366,333 in 2022 and - DKK 464,512 this year.

Development in the year

The company's income statement for the year ending April 2024 shows a deficit of DKK 11,299,229 and the company's balance sheet as of 30 April 2024 shows a negative equity of DKK 29,000,795.

The past year and follow-up on development expectations from last year

Through 2023/2024 Truestory has worked purposefully towards our strategic ambition to create Scandinavia's most attractive experience platform. Throughout the year, investments were made in both market positioning, a higher range of different experiences within several categories as well as the functionality of the platform and thereby a strengthened competitiveness.

The financial year for 2023/2024 has not offered the expected revenue growth, which affects the result in a negative direction, and which, despite a significant cost optimization, has not produced the desired result for the year. Last year's result combined with this year has meant that the company has taken out loans from the Parent Company Smartbox Group to support operations and continued investment of DKK 16,962,610.

Capital resources

After the balance sheet date, the company received a loan of DKK 2.5 million. In addition, the company's owners have submitted a declaration of support to ensure continued liquidity.

The company's liquidity is thereby secured for the coming 12 months.

Targets and expectations for the year ahead

During 2023, a new CEO has joined the company with the aim of a stronger connection to the new parent company.

The company's strategy for 2024 is a continued focus on growth and optimization of the platform for both customers and experience hosts, as well as a focus on reducing the cost level and improving earning power.

The company expects to increase the range of new experiences within several of the most popular experience categories and ensure a wide selection of desirable experiences for both gift occasions and direct booking.

The budget plan for 2024 focuses on an improvement in earnings as well as a general stabilization and improvement of the company's operations. Equity is expected to be re-established through future positive operating results.

Management's review

Unusual events

The company's assets, liabilities and financial position as of 30 April 2024 as well as the result of the company's activities and cash flows for 2023 are not affected by unusual conditions apart from the conditions mentioned in the section "The past year and follow-up on development expectations from last year".

Subsequent events

After the balance sheet date, no circumstances have occurred which have a significant influence on the assessment of the annual report.

Income statement 1 January 2023 - 30 April 2024

	Note	2023/24	2022
		DKK 16 months	DKK 12 months
Gross profit	2	10,991,428	12,138,226
Staff expenses	3	-13,378,431	-15,277,229
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-1,973,593	-1,320,469
Profit/loss before financial income and expenses		-4,360,596	-4,459,472
Income from investments in subsidiaries		-5,753,234	-8,524,266
Financial income	4	310	2,945
Financial expenses	5	-1,185,709	-321,713
Profit/loss before tax		-11,299,229	-13,302,506
Tax on profit/loss for the year	6	0	684,343
Net profit/loss for the year		-11,299,229	-12,618,163
Distribution of profit			
		2023/24	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-11,299,229	-12,618,163
		-11,299,229	-12,618,163

Balance sheet 30 April 2024

Assets

	Note	2023/24	2022
		DKK	DKK
Completed development projects		2,942,240	4,639,191
Acquired other similar rights		11,667	25,000
Intangible assets	7	2,953,907	4,664,191
Other fixtures and fittings, tools and equipment		240,471	392,168
Leasehold improvements		0	12,338
Property, plant and equipment	8	240,471	404,506
Investments in subsidiaries	9	227,803	0
Other receivables		1,500,000	1,500,000
Fixed asset investments		1,727,803	1,500,000
Fixed assets		4,922,181	6,568,697
Finished goods and goods for resale		367,568	536,497
Inventories		367,568	536,497
Trade receivables		461,831	2,322,446
Other receivables		260,307	5,889,939
Prepayments		175,391	727,668
Receivables		897,529	8,940,053
Cash at bank and in hand		370,290	410,604
Current assets		1,635,387	9,887,154
Assets		6,557,568	16,455,851

Balance sheet 30 April 2024

Liabilities and equity

	Note	2023/24	2022
		DKK	DKK
Share capital		80,000	80,000
Revaluation reserve		0	35,121
Reserve for development costs		2,294,947	3,618,569
Retained earnings		-31,375,742	-22,210,422
Equity		-29,000,795	-18,476,732
Provisions relating to investments in group enterprises		2,190,319	1,611,042
Provisions		2,190,319	1,611,042
Subordinate loan capital		0	6,010,409
Trade payables		11,698,949	19,923,423
Payables to group enterprises		18,113,550	1,536,936
Corporation tax		5,058	5,058
Other payables		3,550,487	5,845,715
Short-term debt		33,368,044	33,321,541
Debt		33,368,044	33,321,541
Liabilities and equity		6,557,568	16,455,851
Going concern	1		
Contingent assets, liabilities and other financial obligations	10		
Related parties	11		
Accounting Policies	12		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	80,000	3,618,569	-27,541,634	-23,843,065
Net effect from change of accounting policy	0	0	5,366,333	5,366,333
Adjusted equity at 1 January	80,000	3,618,569	-22,175,301	-18,476,732
Exchange adjustments	0	0	775,166	775,166
Development costs for the year	0	-1,323,622	1,323,622	0
Net profit/loss for the year	0	0	-11,299,229	-11,299,229
Equity at 30 April	80,000	2,294,947	-31,375,742	-29,000,795

Notes to the Financial Statements

1. Going concern

The company has received a unlimited letter of support from the parent company, valid until approval of the annual report for 30. April 2025.

Based on the letter of support, the management's assessment is that the company has sufficient liquidity and therefore presents the annual report with a going concern perspective.

2. Special items

Sale of rights

2023/24	2022
DKK	DKK
9,997,245	3,500,000
9,997,245	3,500,000

In Gross profit is included gain from Sale of rights.

3. Staff Expenses

Wages and salaries

Pensions

Other social security expenses

Other staff expenses

2023/24	2022
DKK 16 months	DKK 12 months
12,016,509	13,530,075
685,054	836,863
279,188	301,814
397,680	608,477
13,378,431	15,277,229

Average number of employees

19	30
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4. Financial income

Interest received from group enterprises

Other financial income

2023/24	2022
DKK 16 months	DKK 12 months
0	2,945
310	0
310	2,945

Notes to the Financial Statements

	2023/24	2022
	DKK 16 months	DKK 12 months
5. Financial expenses		
Interest paid to group enterprises	4,085	0
Other financial expenses	1,181,624	321,713
	1,185,709	321,713

	2023/24	2022
	DKK 16 months	DKK 12 months
6. Income tax expense		
Deferred tax for the year	0	-684,343
	0	-684,343

Notes to the Financial Statements

7. Intangible fixed assets

	Completed development projects	Acquired other similar rights
	DKK	DKK
Cost at 1 January	8,885,286	85,200
Additions for the year	88,065	0
Cost at 30 April	8,973,351	85,200
Impairment losses and amortisation at 1 January	4,246,095	60,200
Amortisation for the year	1,785,016	13,333
Impairment losses and amortisation at 30 April	6,031,111	73,533
Carrying amount at 30 April	2,942,240	11,667

The company's development projects in 2023 include the development of major infrastructural projects, such as a Complete notification system, a fundamental infrastructure to handle integrations to 3rd parties booking systems and a completely new system for handling a wide range of different payment options. In addition, the projects include major news for the platform itself and the primary user experience there, such as a new product page. In addition, the projects include major news for the platform itself and the primary user experience there, such as a new product page. In addition, we have carried out a major rebranding of the entire company, which has led to technical projects concerning design systems etc.

The development projects have been partially completed and put into operation during 2022 and 2023. The company expects to get the positive economic impact of the projects, as estimated at the start of the projects.

8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	646,332	61,694
Additions for the year	11,210	0
Cost at 30 April	657,542	61,694
Impairment losses and depreciation at 1 January	254,164	49,356
Depreciation for the year	162,907	12,338
Impairment losses and depreciation at 30 April	417,071	61,694
Carrying amount at 30 April	240,471	0

Notes to the Financial Statements

	2023/24	2022
	DKK	DKK
9. Investments in subsidiaries		
Cost at 1 January	8,965,141	4,619,241
Additions for the year	9,017,400	4,345,900
Cost at 30 April	17,982,541	8,965,141
Value adjustments at 1 January	-17,646,803	-9,365,074
Exchange adjustment	775,166	242,537
Net profit/loss for the year	-5,753,234	-8,524,266
Value adjustments at 30 April	-22,624,871	-17,646,803
Equity investments with negative net asset value amortised over receivables	2,679,814	7,070,620
Equity investments with negative net asset value transferred to provisions	2,190,319	1,611,042
Carrying amount at 30 April	227,803	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
DGDA AB	Sverige	50.000 SEK	100%
Truestory AS	Norge	30.000 NOK	100%

	2023/24	2022
	DKK	DKK
10. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations, period of non-terminability 3-6 months. Amount in TDKK	179	174

Notes to the Financial Statements

	2023/24	2022
	DKK	DKK
10. Contingent assets, liabilities and other financial obligations		
Other contingent liabilities		
The Company has issued a letter of support in favour of its subsidiaries, DGDA AB og Truестory AS.		

11. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Smartbox Group Limited	Ireland

Notes to the Financial Statements

12. Accounting policies

The Annual Report of TrueStory ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2023/24 are presented in DKK.

Changes in accounting policies

The company has in 2023/24 changed their income recognition of open gift cards, where these are now recognized as income based on an expected redemption percentage at the time of sale rather than being recognized as income on expiry. The change has affected the result for 2022 of DKK 5,366,333, Equity of DKK 5,366,333 and total liabilities of DKK -5,366,333.

Adjustment of comparative figures

A few reclassifications have been made and therefore the comparative figures have been adjusted.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Other intangible fixed assets

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 5 years. Software licences are amortised over the period of the agreements, which is 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Notes to the Financial Statements

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of receivables.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.