

APM Terminals - Aarhus A/S

Østhavnsvej 43
8000 Aarhus C
CVR No. 32658393

Annual report 2025

The Annual General Meeting adopted the annual report
on 24.06.2026

Igor Wladimir van den Essen
Chairman of the General Meeting

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Entity details

Entity

APM Terminals - Aarhus A/S
Østhavnsvej 43
8000 Aarhus C

Business Registration No.: 32658393

Date of foundation: 14.12.2009

Registered office: Aarhus

Financial year: 01.01.2025 - 31.12.2025

Board of Directors

Igor Wladimir van den Essen, Chairman

Tom Jørgen Damgaard Stephensen

Stephen Schnell

Kasper Østergaard Rasmussen

Andreas Oskar Hoch

Casper Munch

Kristian Bai Høllund

Executive Board

Mikael Gutman

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Jens Chr. Skous Vej 1

8000 Aarhus C

CVR No.: 33771231

Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of APM Terminals - Aarhus A/S for the financial year 01.01.2025 - 31.12.2025.

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 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025.

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.

Aarhus, 24.06.2026

Executive Board

Mikael Gutman

Board of Directors

Igor Wladimir van den Essen
Chairman

Tom Jørgen Damgaard Stephensen

Stephen Schnell

Kasper Østergaard Rasmussen

Andreas Oskar Hoch

Casper Munch

Kristian Bai Høllund

Independent Auditor's Report

To the shareholder of APM Terminals - Aarhus A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of APM Terminals – Aarhus A/S at 31 December 2025, and of the results of the Company's operations for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of APM Terminals – Aarhus A/S for the financial year 1 January - 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity, notes and summary 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.

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
- 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.

Hellerup, 24.06.2026

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kristian Pedersen

State Authorised Public Accountant
mne35412

Henrik Bøye Laursen

State Authorised Public Accountant
mne49062

Management's Review

Financial highlights

	2025 DKK'000	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000
Key figures					
Revenue	937,403	805,090	776,614	675,478	593,583
Gross profit/loss	643,250	522,978	506,780	381,555	371,328
Operating profit/loss	169,891	105,643	168,918	53,296	95,292
Profit/loss for the year	151,593	64,712	135,689	42,248	84,140
Total assets	634,355	606,913	489,991	365,481	361,710
Investments in property, plant and equipment	98,825	98,825	89,217	57,959	44,352
Equity	443,927	389,534	324,821	189,132	209,024
Average no. of employees	427	410	402	400	349
Ratios					
Gross margin (%)	68.62	64.96	65.26	56.49	62.56
EBIT margin (%)	18.12	13.12	21.75	7.89	16.05
Current ratio (%)	228.40	162.84	121.89	79.10	119.1
Equity ratio (%)	69.98	64.18	66.29	51.75	57.79

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

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Revenue

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Revenue

Current ratio (%):

$\frac{\text{Current assets} * 100}{\text{Current liabilities other than provisions}}$

Current liabilities other than provisions

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The principal activities of APM Terminals - Aarhus A/S comprise container handling at the Port of Aarhus and Kalundborg related to the transportation of containers via ship, truck and train. As related business, the activity also comprises repair and storage of containers.

Development in activities and finances

Profit for the year

Revenue grew by 16.4% from DKK 808 million in 2024 to DKK 937 million in 2025. Increase in revenue is mainly due to higher transshipment volume and CPI increase and improvement on some of the ancillary activities. Profit for the year has increased by 134.3% from DKK 65 million to DKK 152 million mainly due the impairment of a modernization project in 2024 as well as higher revenue.

Investments

APM Terminals – Aarhus A/S has made less investments in 2025 compared to 2024. Investments have decreased from DKK 59 million in 2024 to DKK 23 million in 2025. The investments have primarily been in infrastructure, security, and equipment electrification related projects.

Capital resources

APM Terminals - Aarhus A/S is financially sound. The equity on 31 December 2025 of DKK 443.9 million (2024: DKK 389.5 million) resulted on an equity ratio of 70.0% (2024: 64.2%).

Risks

Operating risks

The most significant operational risk of the Company relates to the expect new container terminal and the activity level of trade in Scandinavia as well as the Danish export to Asia. The risk, moreover, depends on the level of this trade being handled through the Port of Aarhus.

Financial risks

Because of the Company's high solvency ratio and substantial cash generation and the fact that all external loans are paid out, changes in the interest level poses close to no risk to the Company. The Company is neither significantly exposed to foreign exchange risks as all major settlements are made in DKK nor is it exposed to any major risks regarding one particular external customer or cooperative partner. Company policy in respect of credit risks implies that all major customers and other co-operators are credit rated on an ongoing basis.

Profit/loss for the year in relation to expected developments

Revenue exceeded expectations by 27% in 2025. Increase in revenue is mainly due to the handling of higher transshipment volume and CPI increase and improvement on some of the ancillary activities. 2025 EBIT was DKK 91 million higher than the company expectation of DKK 71-85 million mainly due to the the transshipment related impact offsetting the negative impact from the one-off impairment.

Outlook

Management expects that volumes will decline due to lower transshipment but will improve in the main activities. Management is expecting that the EBIT will be DKK 150-170 million mainly due to lower transshipment volumes.

Environmental performance

APM Terminals – Aarhus A/S is environmentally conscious and is engaged in reducing environmental impact from its operations on an ongoing basis.

In 2014, the Company succeeded in obtaining approval of EIA (Environmental Impact Assessment). The Company regularly assesses the environmental impact from the Company's operations. Operations are directly interconnected with the environmental impact, as two significant cost categories are energy consumption, including electricity, and fuel consumption (primarily diesel). The company is running on CO2 neutral electricity in Aarhus.

We have a high focus on the environmental issues when buying or leasing new equipment, with regard to both pollution and noise and the company has a goal, as part of the A.P. Moller – Maersk target, to be at 65% lower CO2 emissions, compared to the 2020 baseline, by 2030 and CO2 neutral by 2040.

Statutory report on corporate social responsibility

For information about corporate social responsibility, we refer to (CVR nr. 22756214) A.P. Møller - Mærsk A/S' consolidated statement on corporate social responsibility on the website: "<https://www.maersk.com/sustainability/reports-and-resources>".

Statutory report on data ethics policy

The responsible use of data is a critical enabler for the group business model. In line with regulatory requirements of Section 99d of the Danish Financial Statements Act (Årsregnskabsloven), A.P. Møller – Mærsk A/S established data ethics policy in 2021, with accompanying governance measures. Please refer to <https://www.maersk.com/sustainability/reports-and-resources>.

Income statement for 2025

	Notes	2025 DKK'000	2024 DKK'000
Revenue	2	937,403	805,090
Other operating income		150	158
Other external expenses	3	-294,303	-282,270
Gross profit/loss		643,250	522,978
Staff costs	4	-409,390	-329,179
Depreciation, amortisation and impairment losses		-63,969	-88,156
Operating profit/loss		169,891	105,643
Other financial income	5	6,208	1,668
Profit/loss before tax		176,099	107,311
Tax on profit/loss for the year	6	-24,506	-42,599
Profit/loss for the year	7	151,593	64,712

Balance sheet at 31.12.2025

Assets

	Notes	2025 DKK'000	2024 DKK'000
Acquired intangible assets		11,922	13,156
Acquired licences		10,624	18,820
Acquired trademarks		623	741
Goodwill		0	1,417
Development projects in progress		2,761	2,104
Intangible Assets	8	25,930	36,238
Land and buildings		20,559	20,923
Plant and machinery		68,858	63,179
Other fixtures and fittings, tools and equipment		66,716	65,716
Property, plant and equipment in progress	9	17,348	66,913
Property, plant and equipment	10	173,481	216,731
Fixed assets		199,411	252,969
Raw materials and consumables		9,448	10,649
Inventories		9,448	10,649
Trade receivables		55,370	65,437
Receivables from group companies		296,413	233,919
Deferred tax	11	59,572	32,894
Other receivables		12,593	9,516
Prepayment	12	1,548	1,529
Receivables		425,496	343,295
Current assets		434,944	353,944
Assets		634,355	606,913

Equity and liabilities

		2025	2024
	Notes	DKK'000	DKK'000
Contributed capital	13	7,500	7,500
Reserve for development expenditure		2,154	1,641
Retained earnings		304,273	283,193
Proposed dividend		130,000	97,200
Equity		443,927	389,534
Trade payables		36,680	31,921
Payables to group enterprises		6,025	53,431
Joint taxation contribution payable		51,650	88,184
Other payables		96,073	43,843
Current liabilities other than provisions		190,428	217,379
Liabilities other than provisions		190,428	217,379
Equity and liabilities		634,355	606,913
Events after the balance sheet date	1		
Contingent liabilities	14		
Related parties with controlling interest	15		

Statement of changes in equity for 2025

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed Dividend DKK'000	Total DKK'000
Equity beginning of year	7,500	1,641	283,193	97,200	389,534
Dividends paid	0	0	0	-97,200	-97,200
Transfer to reserves	0	513	-513	0	0
Profit/loss for the year	0		21,593	130,000	151,593
Equity end of year	7,500	2,154	304,273	130,000	443,927

Notes

Note 1 Events after the balance sheet date

Subsequent to 31 December 2025 there have been no further events with any significant effect on the financial statements beyond what has been recognized and disclosed in the Annual Report.

Note 2 Revenue

	2025	2024
	DKK'000	DKK'000
Handling of containers	872,235	736,513
Repair of containers	65,167	68,578
Total revenue by activity	937,402	805,090

Note 3 Fees to the auditor by the Annual General Meeting

Pursuant to the section 96(3) of the Danish Financial Statements Act, fees paid to the Company's auditor appointed at the annual general meeting have not been disclosed.

Note 4 Staff costs

	2025	2024
	DKK'000	DKK'000
Wages and salaries	367,757	296,552
Pension costs	38,428	29,627
Other social security costs	3,205	3,000
Total	409,390	329,179
Average number of full-time employees	427	410

The total remuneration for the Board of Directors and the Executive Board of APM Terminals - Aarhus A/S amounts to DKK 3.0 million (2024: DKK 3.2 million). As the Executive Board consists of a single individual, separate disclosure of their remuneration has not been provided, in accordance with ÅRL §98 b, 3.

Note 5 Other financial income

	2025	2024
	DKK'000	DKK'000
Exchange rate adjustments	6,208	1,668
Total	6,208	1,668

Note 6 Tax on profit/loss for the year

	2025	2024
	DKK'000	DKK'000
Current tax	51,650	43,666
Change in deferred tax	-466	-1,690
Adjustment concerning previous years	-26,679	623
Total	24,505	42,599

Note 7 Proposed distribution of profit and loss

	2025	2024
	DKK'000	DKK'000
Ordinary dividend for the financial year	130,000	97,200
Retained earnings	21,593	-32,488
Total	151,593	64,712

Note 8 Intangible assets

	Acquired intangible assets DKK'000	Acquired licences DKK'000	Acquired trademarks DKK'000	Goodwill DKK'000	Development Projects in progress DKK'000
Cost beginning of year	18,500	34,639	2,120	31,819	2,103
Transfers	0	0	0	0	657
Additions	0	0	0	0	0
Adjustments	0	0	0	0	0
Cost end of year	18,500	34,639	2,120	31,819	2,760
Amortisation and impairment losses beginning of year	-5,343	-15,818	-1,379	-30,401	0
Amortisation for the year	-1,233	-8,197	-118	-1,417	0
Amortisation and impairment losses end of year	-6,576	-24,015	-1,497	-31,818	0
Carrying amount end of year	11,924	10,624	623	1	2,760

Note 9 Property, plan and equipment in progress

In 2025, the asset that are still in progress amounting to DKK 17 million, cover asset digitasation, civil work, electrified equipment and security upgrade.

Note 10 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	105,454	190,807	110,252	66,913
Transfers	3,104	41,434	14,862	-59,401
Disposals	0	-125	-428	0
Additions	0	0	0	9,835
Adjustments	0	0	-26	0
Cost end of year	108,558	232,115	124,661	17,348
Depreciation and impairment losses beginning of year	-84,531	-127,629	-44,536	0
Depreciations for the year	-3,468	-13,097	-13,836	0
Impairment	0	-22,643	0	0
Reclassification	0	110	428	0
Depreciation and impairment losses end of year	-87,999	-163,259	-57,944	0
Carrying amount end of year	20,559	68,858	66,716	17,348

Note 11 Deferred tax

	2025	2024
Changes during the year	DKK'000	DKK'000
Beginning of year	32,894	31,203
Recognised in the income statement	26,679	1,688
End of year	59,572	32,891

Note 12 Prepayments

Prepayments comprise prepayments for property tax, insurance, rent, IT and administration costs.

Note 13 Share capital

The contributed capital consists of:

A shares, 1 share of nom. DKK 7,500,000.

Note 14 Contingent liabilities

Operating lease obligations:	2025	2024
	DKK'000	DKK'000
Residual operating leases obligations fall due by:		
Within 1 year	31,987	35,121
Within 2-5 years	110,676	116,929
After 5 years	475,077	494,056
Total	617,740	646,106

Note 15 Related parties with controlling interest

APM Terminals - Aarhus A/S related parties comprise the following:

Control

APM Terminals B.V., Turfmarkt 107, 2511 DP, The Hague, the Netherlands.

APM Terminals B.V. holds the majority of the contributed capital in the Company.

APM Terminals - Aarhus A/S is part of the consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, 1263 København K and A.P. Møller Holding A/S, Esplanaden 50, 1263 København K, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of A.P. Møller - Mærsk A/S and the consolidated financial statements of A.P. Møller Holding A/S can be obtained by contacting the companies at the above addresses.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c (7) of the Danish Financial Statement Act. No such transactions have taken place in 2024 or 2025.

Accounting policies

Reporting class

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

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

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, Copenhagen, Denmark, CVR no. 22 75 62 14.

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.

Income statement

Revenue

Income is recognised in revenue when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

Our customer base is located in separate countries. Reporting revenue per country will therefore provide transparency on the revenue per customer. Therefore revenue is not reported per country.

Other operating income

Other operating income comprises items secondary to the activities of the entity, such as workshop doing repairs on equipment and land lease revenue.

Other external expenses

Other external costs comprise costs incurred in generating revenue for the year, including costs of raw materials and consumables, lease of port space and administrative expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets for the financial year.

Other financial income

Other financial income comprise interest income, including interest income on payables to group enterprises, net capital or exchange gains on securities, receivables and transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Corporation tax is expensed as estimated tax on the taxable income for the year. APM Terminals - Aarhus A/S is jointly taxed with A.P. Møller Holding A/S and other Danish companies within the A.P. Møller Holding Group. Current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses).

Balance sheet

Intangible assets

Acquired intangible assets, acquired licenses, trademarks, goodwill and development projects in progress are measured at cost less accumulated amortisation and impairment losses. Acquired intangible assets, acquired licenses, trademark and goodwill are amortised on a straight-line basis over the remaining life of the intangible asset. The expected useful lives are as follows:

Goodwill: 15 years

Trademarks: 18 years

Acquired licenses: 3 years

Acquired intangible assets: 15 years

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

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of lowest cash generating unit identified when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cashflows from the disposal of the asset or the group of assets after the end of the useful life.

Property, plant and equipment

Land and buildings, plant and machinery, other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the shorter of the lease period or the estimated useful life. The estimated useful lives are as follows:

	Useful life
Buildings	15-20 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-7 years

The useful life and residual value are reassessed annually. Changes to useful life are treated as changes to accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Consumables are measured at cost, comprising purchase price plus delivery costs administration and management. Finance costs are not included in cost.

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.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Other financial liabilities

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

