



Emporium Partners ApS

Hørskættens 18, 2630 Taastrup

CVR no. 27 17 48 92

**Annual report for the period
1 July 2023 to 30 June 2024**

Adopted at the annual general meeting on 18 December 2024

Ole de Neergaard
Chairman


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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Emporium Partners ApS for the financial year 1 July 2023 - 30 June 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 company's financial position at 30 June 2024 and of the results of the company's operations for the financial year 1 July 2023 - 30 June 2024.

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

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

Taastrup, 18 December 2024

Executive board

Carsten Helt

Olof Patrik Nilsson

Independent auditor's report

To the shareholders of Emporium Partners ApS

Opinion

We have audited the financial statements of Emporium Partners ApS for the financial year 1 July 2023 - 30 June 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2024 and of the results of the company's operations for the financial year 1 July 2023 - 30 June 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 18 December 2024

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Henrik Ulvsgaard
State Authorised Public Accountant
mne21318

Company details

The company	<p>Emporium Partners ApS Hørskættø 18 2630 Taastrup</p> <p>CVR no.: 27 17 48 92</p> <p>Reporting period: 1 July 2023 - 30 June 2024</p> <p>Incorporated: 22 May 2003</p> <p>Domicile: Høje Taastrup</p>
Executive board	<p>Carsten Helt Olof Patrik Nilsson</p>
Auditors	<p>Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby</p>
Consolidated financial statements	<p>The company is reflected in the group report as the parent company PNC Holding ApS.</p> <p>The group report of PNC Holding ApS. can be obtained at the following address: www.cvr.dk</p>
General meeting	<p>The annual general meeting is held at the company's address on XX October 2024.</p>

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	61.653	528.438	1.082.007	211.110	79.478
Gross profit	-5.459	54.172	83.655	17.314	3.163
Profit/loss before net financials	-10.406	47.937	81.854	16.768	2.616
Net financials	-1.141	31.979	98.763	9.192	-130
Profit/loss for the year	-10.307	71.398	161.176	22.810	1.710
Balance sheet					
Balance sheet total	62.264	255.505	328.421	122.451	30.073
Investment in property, plant and equipment	0	3	0	0	0
Equity	13.152	93.023	172.018	28.057	6.675
Number of employees	4	4	3	3	3
Financial ratios					
Gross margin	-8,9%	10,3%	7,7%	8,2%	4,0%
EBIT margin	-16,9%	9,1%	7,6%	7,9%	3,3%
Return on assets	-6,5%	16,4%	36,3%	22,0%	8,4%
Solvency ratio	21,1%	36,4%	52,4%	22,9%	22,2%
Return on equity	-19,4%	53,9%	161,1%	131,3%	29,3%

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

Management's review

Business review

The company trade within electronic components sold worldwide through subsidiaries in Denmark, Sweden, Germany, Hong Kong, and the USA.

Recognition and measurement uncertainties

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

Unusual matters

The company's financial position at 30 June 2024 and the results of its operations for the financial year ended 30 June 2024 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 30. juni 2024 shows a loss of DKK 10.307.364, and the balance sheet at 30 June 2024 shows equity of DKK 13.151.772.

The result of 2023/24 was unsatisfactory and worse than expected. The favorable market we experienced in 2021 and 2022 as an effect of a shortage situation resulted in a strong build-up of stocks with our customers. As a result, there has been less demand for brokers since then. We are now starting to see signs of increasing demand.

Financing

Refer to the description in note 1.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expected development of the company, including specific prerequisites and uncertainties

It is expected that the market situation will normalize in the financial year of 2024/25, and we expect a positive result between DKK 1-5 mio.

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

The management assesses that there is no knowledge that is of particularly critical importance for future revenue.

Management's review

Special risks, including business and financial risks

The company's activities are distributed across several markets and customer segments.

The company is vulnerable to changes in exchange rates and interest rates as a result of its daily operations. It is the group's policy not to engage in active speculation in financial risks. Therefore, financial management focuses solely on the management of already undertaken financial risks.

Most of the company's revenue is invoiced in foreign currencies, primarily EUR and USD, but as it is partially offset by operating costs and goods purchased in the same currencies, the exposure in these currencies is reduced. It is continuously assessed to what extent this exposure must be hedged when entering future exchange transactions.

The company has chosen – with few exceptions – to insure its receivables from both Danish and foreign customers as part of the credit policy

Corporate social responsibility

It is the company goal to act continuously socially responsible, contribute to positive social development, and influence our business partners in the same direction.

Corruption occurs in some of the company's markets. Emporium Partners does not accept corruption, but it may have resulted in the loss of orders in some cases.

Women are not represented at the company's top management level. Emphasis is placed on hiring qualified female candidates.

As a workplace, we continuously seek to contribute to greater job satisfaction and job security for all employees. Furthermore, diversity in the workforce is considered to provide greater dynamism to the company.

Sexism is not tolerated. A high seniority in the company confirms a general satisfaction with the working conditions.

Environmental liability

For many years, the company has used environmentally friendly packaging products and minimized the content of harmful substances.

Research and development activities in or for the company

It is an important competitive parameter to be able to live up to the customers' demand for continued development of the products. Therefore, the activity will continue to have a high priority in the group.

Management's review

Data ethics

Emporium Partners does not have a data ethics policy but plans to prepare one.

It is assessed that the group has good ethics, and that data is only recorded when it is relevant and only kept when it is a requirement according to legislation or warranty commitments.

Income statement 1 July - 30 June

	Note	2023/24 DKK	2022/23 DKK
Revenue	2	61.653.371	528.437.780
Other operating income		6.582.346	61.081.914
Expenses for raw materials and consumables		-58.244.819	-522.063.475
Other external costs		-15.449.849	-13.284.546
Gross profit		-5.458.951	54.171.673
Staff costs	3	-4.468.530	-5.761.000
Profit/loss before amortisation/depreciation and impairment losses		-9.927.481	48.410.673
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-478.576	-474.015
Profit/loss before net financials		-10.406.057	47.936.658
Income from investments in subsidiaries		-4.327.580	41.306.012
Financial income	4	7.950.160	15.342.764
Financial costs	5	-4.763.973	-24.669.546
Profit/loss before tax		-11.547.450	79.915.888
Tax on profit/loss for the year	6	1.240.086	-8.518.018
Profit/loss for the year		-10.307.364	71.397.870
Distribution of profit	7		

Balance sheet at 30 June 2024

	Note	2024 DKK	2023 DKK
Assets			
Completed development projects		375.004	842.634
Intangible assets	8	375.004	842.634
Plant and machinery	9	15.507	26.453
Tangible assets		15.507	26.453
Investments in subsidiaries	10	86.771	46.610.943
Fixed asset investments		86.771	46.610.943
Total non-current assets		477.282	47.480.030
Finished goods and goods for resale		682.547	1.840.008
Prepayments for goods		0	27.704
Stocks		682.547	1.867.712
Trade receivables		4.289.019	14.169.622
Receivables from subsidiaries		22.114.607	37.533.803
Other receivables		20.932.847	17.177.321
Deferred tax asset	12	1.046.643	0
Prepayments	11	34.824	34.828
Receivables		48.417.940	68.915.574
Cash at bank and in hand		12.686.022	137.242.017
Total current assets		61.786.509	208.025.303
Total assets		62.263.791	255.505.333

Balance sheet at 30 June 2024

	Note	2024 DKK	2023 DKK
Equity and liabilities			
Share capital		145.832	145.832
Reserve for development expenditure		292.503	0
Retained earnings		12.713.437	22.877.164
Proposed dividend for the year		0	70.000.000
Equity		13.151.772	93.022.996
Provision for deferred tax	12	0	193.443
Provisions relating to investments in subsidiaries		1.167.673	0
Total provisions		1.167.673	193.443
Corporation tax		0	8.664.216
Total non-current liabilities		0	8.664.216
Prepayments received from customers		908.095	2.421.654
Trade payables		4.251.807	11.922.518
Payables to subsidiaries		33.525.549	117.723.329
Payables to participating interests		16.000	0
Corporation tax		8.664.216	19.626.530
Other payables		578.679	1.930.647
Total current liabilities		47.944.346	153.624.678
Total liabilities		47.944.346	162.288.894
Total equity and liabilities		62.263.791	255.505.333
Uncertainty about the continued operation (going concern)	1		
Contingent liabilities	14		
Related parties and ownership structure	15		

Statement of changes in equity

	Share capital	Reserve for net re- valuation under the equity method	Reserve for developme nt expendit ure	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July 2023	145.832	0	292.503	22.877.164	70.000.000	93.315.499
Ordinary dividend paid	0	0	0	0	-70.000.000	-70.000.000
Exchange adjustment, foreign	0	436.140	0	0	0	436.140
Net profit/loss for the year	0	-436.140	0	-10.163.727	0	-10.599.867
Equity at 30 June 2024	145.832	0	292.503	12.713.437	0	13.151.772

The company's share capital consists of 145,832 shares with a nominal value of DKK 1. No shares have been assigned special rights.

There have been no changes in the company's share capital in the past 5 years.

Notes

1 Uncertainty about the continued operation (going concern)

Uncertainty is present about the continued operation (going concern) due to a receivable amounting to 20 mill dkk related to a dividend refund owed by the German tax authorities to Emporium Partners ApS in connection with taxed paid during 2021 and 2023. The delay in refund is due excessive backlog by the German tax authorities. The company have been in process with the collection and believe the refund will be collected during the next quarter. Based on the above and the operation itself will ensure going concern.

2 Information on segments

It has been decided to omit a segment breakdown of the net turnover, as it is assessed that providing this information could cause significant competitive damage, partly because none of the company's competitors provides similar information.

3 Staff costs

	2023/24	2022/23
	DKK	DKK
Wages and salaries	4.232.500	5.509.517
Pensions	218.589	228.231
Other social security costs	16.742	20.169
Other staff costs	699	3.083
	4.468.530	5.761.000
Number of fulltime employees on average	4	4

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.

Notes

	2023/24	2022/23
	DKK	DKK
4 Financial income		
Interest received from subsidiaries	787.521	556.215
Other financial income	7.162.639	14.786.549
	7.950.160	15.342.764
5 Financial costs		
Interest paid to subsidiaries	1.179.761	3.152.236
Other financial costs	3.584.212	21.517.310
	4.763.973	24.669.546
6 Tax on profit/loss for the year		
Current tax for the year	0	8.621.844
Deferred tax for the year	-1.240.086	-103.826
	-1.240.086	8.518.018
7 Distribution of profit		
Proposed dividend for the year	0	70.000.000
Extraordinary dividend for the year	0	85.000.000
Reserve for net revaluation under the equity method	-436.140	23.306.382
Transferred to reserve for development expenditure	292.503	0
Retained earnings	-10.163.727	-106.908.512
	-10.307.364	71.397.870

Notes

8 Intangible assets

	Completed development projects <u>DKK</u>
Cost at 1 July 2023	<u>5.638.725</u>
Cost at 30 June 2024	<u>5.638.725</u>
Impairment losses and amortisation at 1 July 2023	4.796.091
Depreciation for the year	<u>467.630</u>
Impairment losses and amortisation at 30 June 2024	<u>5.263.721</u>
Carrying amount at 30 June 2024	<u><u>375.004</u></u>

Completed development projects consist of internally developed CRM system and website. The development project are progressing as planned.

9 Tangible assets

	Plant and machinery <u>DKK</u>
Cost at 1 July 2023	<u>32.838</u>
Cost at 30 June 2024	<u>32.838</u>
Impairment losses and depreciation at 1 July 2023	6.385
Depreciation for the year	<u>10.946</u>
Impairment losses and depreciation at 30 June 2024	<u>17.331</u>
Carrying amount at 30 June 2024	<u><u>15.507</u></u>

Notes

	2024	2023
	DKK	DKK
10 Investments in subsidiaries		
Cost at 1 July 2023	15.156.279	15.156.279
Cost at 30 June 2024	15.156.279	15.156.279
Revaluations at 1 July 2023	31.454.664	8.540.807
Exchange rate adjustments	436.139	-392.155
Share of profit/loss for the year	-4.327.579	41.306.012
Dividend	-43.800.405	-18.000.000
Equity investments with negative net asset value transferred to provisions	1.167.673	0
Revaluations at 30 June 2024	-15.069.508	31.454.664
Carrying amount at 30 June 2024	86.771	46.610.943

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Emporium Partners Denmark ApS	Taastrup (Denmark)	100%	-472.365	-951.353
Emporium Partners Sweden AB	Sweden	100%	86.772	-297.425
Emporium Partners USA Inc.	USA	80%	-302.600	-1.720.471
Emporium Partners Germany GmbH	Germany	80%	-1.450.834	-2.275.231
Emporium Partners HK Ltd.	Hong Kong	100%	-1.262.512	-1.617.967

11 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

Notes

	2024	2023
	DKK	DKK
12 Provision for deferred tax		
Provision for deferred tax at 1 July 2023	193.443	297.269
Deferred tax recognised in income statement	-1.240.086	-103.826
Provision for deferred tax at 30 June 2024	-1.046.643	193.443
Provisions for deferred tax on:		
Intangible assets	82.501	185.380
Plant and machinery	3.411	401
Prepayments	7.661	9.011
Tax loss carry-forward	-1.140.217	0
	0	193.443
Deferred tax asset		
Calculated tax asset	1.046.643	0
Carrying amount	1.046.643	0

The company expects to utilize the tax loss carryforward within a short period of years, which is why a deferred tax asset has been recognized. A restructuring of the business has been initiated to eliminate the sources of losses.

13 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years as well as fair value adjustments of derivative financial instruments with a negative fair value.

14 Contingent liabilities

The company has announced a prohibition of pledging regarding the company's debtors related to the entered financing agreement. As of year 2023/24, the security amounts to DKK 0.

The Company has received a claim from a US company of USD 4.9 million related to sales of goods. The Company is represented by a law firm appointed by the insurance company. It is the insurance company's lawyers assessment on the available basis that there is a limited risk to burden the Company financially.

Notes

14 Contingent liabilities (continued)

The Entity participates in a Danish joint taxation arrangement in which PNC Holding 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 withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

15 Related parties and ownership structure

Controlling interest

PNC Holding ApS
Hørskættens 18, 2630 Taastrup
Main shareholder

Other related parties

Emporium Partners Denmark ApS

Emporium Partners Sweden AB

Emporium Partners USA Inc.

Emporium Partners Germany GmbH

Emporium Partners HK Ltd.

Transactions

No agreements were entered into in the financial year, nor were any deals or transactions carried out in the company in any other way, in which the board of directors or the executive board have a financial interest in addition to transactions that follow the terms of employment.

Notes

15 Related parties and ownership structure (continued)

Ownership structure

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

PNC Holding ApS
Hørskættten 18, 2630 Taastrup
Main shareholder

Consolidated financial statements

The company is reflected in the group report as the parent company PNC Holding ApS.

The group report of PNC Holding ApS. can be obtained at the following address:
www.cvr.dk

Accounting policies

The annual report of Emporium Partners ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

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

The annual report for 2023/24 is presented in DKK

Concerning the Annual Accounts Act §86, subsection 4, the statement of cash flows is omitted, as the company is included in the statement of cash flows in the consolidated financial statements of the parent company, PNC Holding ApS.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

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

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

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

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

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

Income statement

Gross profit

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

Accounting policies

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

Revenue

Revenue 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.

Expenses for raw materials and consumables

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

Other operating income

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

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises etc.

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

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Accounting policies

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

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3-10 years.

Tangible assets

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

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

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

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

Other fixtures and fittings, tools and equipment	3 years
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Investments in subsidiaries, associates and participating interests

Investments in dattervirksomheder, associerede virksomheder og kapitalinteresser are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Accounting policies

Investments in dattervirksomheder, associerede virksomheder og kapitalinteresser with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in dattervirksomheder, associerede virksomheder og kapitalinteresser are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Emporium Partners ApS is adopted are not taken to the net revaluation reserve.

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

Stocks

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

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

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

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

Receivables

Receivables are measured at amortised cost.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Accounting policies

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

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

Deferred income

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

Foreign currency translation

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

Accounting policies

Financial Highlights

Definitions of financial ratios.

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