Consolidated Income Statement

SEKm	Notes	2012/2013	2011/2012
Net sales	4, 5	5,403	5,200
Cost of sales		-3,639	-3,495
Gross profit		**1,764**	**1,705**
Selling expenses		-1,001	-921
Administrative expenses		-339	-316
Other operating income	9	21	13
Other operating expenses	9	-8	-11
Operating profit	**3-10,16**	**437**	**470**
Finance income	11	4	7
Finance costs	11	-33	-30
Net financial items		**-29**	**-23**
Profit before tax		**408**	**447**
Income tax expense	13	-85	-120
PROFIT FOR THE YEAR		**323**	**327**
Attributable to:			
Equity holders of the Parent Company		318	322
Non-controlling interests		5	5
Earnings per share (EPS), (SEK)	30	14.60	14.65
Diluted EPS (SEK)	30	14.60	14.60
Average number of shares after repurchases (’000s)		21,798	21,944
Number of shares at end of period after repurchases (’000s)		21,921	21,746

Consolidated Statement of Comprehensive Income

SEKm	2012/2013	2011/2012
Profit for the year	323	327
Cash flow hedges	0	1
Foreign currency translation differences for the period	-49	-1
Tax attributable to other comprehensive income	0	0
Other comprehensive income	**-49**	**0**
Comprehensive income for the year	**274**	**327**
Attributable to:		
Equity holders of the Parent Company	270	322
Non-controlling interests	4	5

Consolidated Balance Sheet

SEKm	Notes	31 Mar 13	31 Mar 12
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	1,192	1,012
Property, plant and equipment	15	166	156
Financial assets	17	10	11
Non-current receivables	17	4	3
Deferred tax assets	13	0	0
Total non-current assets		**1,372**	**1,182**
CURRENT ASSETS			
Inventories	18	675	650
Tax assets		33	0
Accounts receivable	3	793	760
Prepaid expenses and accrued income	19	67	49
Other receivables		50	41
Cash and cash equivalents		72	50
Total current assets		**1,690**	**1,550**
TOTAL ASSETS		**3,062**	**2,732**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	**20**		
Share capital		51	51
Other contributed capital		344	344
Reserves		-68	-20
Retained earnings, including profit for the year		795	629
Equity attributable to equity holders of the Parent Company		**1,122**	**1,004**
Non-controlling interests		16	13
Total shareholders' equity		**1,138**	**1,017**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current interest-bearing liabilities	24	11	27
Provisions for pensions	22	201	195
Deferred tax liabilities	13	194	193
Total non-current liabilities		**406**	**415**
CURRENT LIABILITIES			
Current interest-bearing liabilities	25	586	362
Accounts payable		480	489
Tax liabilities		33	42
Other liabilities		153	141
Accrued expenses and deferred income	26	257	253
Provisions	23	9	13
Total current liabilities		**1,518**	**1,300**
Total liabilities		**1,924**	**1,715**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,062**	**2,732**

For information about contingent liabilities and pledged assets, see Note 27

Consolidated Cash Flow Statement

SEKm	Notes	2012/2013	2011/2012
OPERATING ACTIVITIES			
Profit after financial items		408	447
Adjustment for items not included in cash flow	28	101	102
Income tax paid		-166	-112
Cash flow from operating activities before changes in working capital		343	437
Cash flow from changes in working capital			
Changes in inventories		20	-26
Changes in operating receivables		49	-51
Changes in operating liabilities		-73	55
Cash flow from operating activities		**339**	**415**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		-35	-32
Disposal of property, plant and equipment		2	2
Acquisition of intangible non-current assets		-7	-6
Acquisition of operations, net liquidity effect	28	-311	-260
Disposal of operations, net liquidity effect	28	-	0
Cash flow from investing activities		**-351**	**-296**
FINANCING ACTIVITIES			
Repurchase of own shares		-	-71
Exercised and issued call options		24	1
Borrowings		310	396
Repayments on loans		-110	-284
Other financing		-1	-2
Dividend paid to equity holders of the Parent Company		-174	-156
Dividend paid to non-controlling interests		-4	-3
Cash flow from financing activities		**45**	**-119**
Cash flow for the year		**33**	**0**
Cash and cash equivalents at beginning of year		50	50
Exchange differences on cash and cash equivalents		-11	0
Cash and cash equivalents at year-end		**72**	**50**

Consolidated Statement of Changes in Equity

SEKm	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Total, equity holders of the Parent Company	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE							
1 Apr 12	**51**	**344**	**-20**	**629**	**1,004**	**13**	**1,017**
Comprehensive income for the year	**–**	**–**	**–**	**318**	**318**	**5**	**323**
Cash flow hedges	–	–	0	–	0	–	0
Foreign currency translation differences for the period	–	–	-48	–	-48	-1	-49
Tax attributable to other comprehensive income	–	–	0	–	0	–	0
Other comprehensive income	**–**	**–**	**0**	**–**	**0**	**–**	**0**
Total comprehensive income	**–**	**–**	**-48**	**318**	**270**	**4**	**274**
Call options issued	–	–	–	2	2	–	2
Call options exercised	–	–	–	22	22	–	22
Dividend	–	–	–	-174	-174	-4	-178
Change in non-controlling interests	–	–	–	-2	-2	3	1
EQUITY, CLOSING BALANCE							
31 Mar 13	**51**	**344**	**-68**	**795**	**1,122**	**16**	**1,138**

SEKm	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Total, equity holders of the Parent Company	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE							
1 Apr 11	**51**	**344**	**-20**	**532**	**907**	**15**	**922**
Comprehensive income for the year	**–**	**–**	**–**	**322**	**322**	**5**	**327**
Cash flow hedges	–	–	1	–	1	–	1
Foreign currency translation differences for the period	–	–	-1	–	-1	0	-1
Tax attributable to other comprehensive income	–	–	0	–	0	–	0
Other comprehensive income	**–**	**–**	**0**	**–**	**0**	**0**	**0**
Total comprehensive income	**–**	**–**	**0**	**322**	**322**	**5**	**327**
Call options issued	–	–	–	1	1	–	1
Repurchase of own shares	–	–	–	-71	-71	–	-71
Dividend	–	–	–	-156	-156	-3	-159
Change in non-controlling interests	–	–	–	1	1	-4	-3
EQUITY, CLOSING BALANCE							
31 Mar 12	**51**	**344**	**-20**	**629**	**1,004**	**13**	**1,017**

For comments on shareholders' equity, refer to Note 20.

SEK	2012/2013	2011/2012
Dividend per share	8,00 [1)]	8,00

[1)] As proposed by the Board of Directors.

Parent Company Income Statement

SEKm	Notes	2012/2013	2011/2012
Net sales		45	35
Administrative expenses		-50	-41
Operating profit/loss	**6–9, 16**	**-5**	**-6**
Profit from interests in Group companies	11	234	227
Profit from non-current financial assets	11	35	34
Interest income and similar items	11	6	3
Interest expense and similar items	11	-27	-25
Profit after financial items		**243**	**233**
Year-end appropriations	12	-25	-37
Profit before tax		**218**	**196**
Income tax expense	13	-53	-48
Profit for the year		**165**	**148**
Other comprehensive income		–	–
Total comprehensive income for the year		**165**	**148**

Parent Company Balance Sheet

SEKm	Notes	31 Mar 13	31 Mar 12
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	1	1
Property, plant and equipment	15	0	0
Non-current financial assets			
Interests in Group companies	17	1,151	1,151
Receivables from Group companies	17	1,174	1,000
Total non-current financial assets		**2,325**	**2,151**
Total non-current assets		**2,326**	**2,152**
CURRENT ASSETS			
Receivables from Group companies		299	279
Other receivables		3	1
Prepaid expenses and accrued income	19	5	4
Total current receivables		**307**	**284**
Cash and bank balances		1	0
Total current assets		**308**	**284**
TOTAL ASSETS		**2,634**	**2,436**
EQUITY AND LIABILITIES	**20**		
SHAREHOLDERS' EQUITY			
Restricted equity			
Share capital		51	51
Legal reserve		18	18
Unrestricted equity			
Retained earnings		742	743
Profit for the year		165	148
TOTAL SHAREHOLDERS' EQUITY		**976**	**960**
UNTAXED RESERVES	**21**	**327**	**302**
PROVISIONS			
Provisions for pensions and similar obligations	22	17	18
LIABILITIES			
Liabilities to Group companies	24	354	428
Total non-current liabilities		**354**	**428**
Liabilities to credit institutions	25	504	284
Accounts payable		2	2
Liabilities to Group companies		434	409
Tax liabilities		4	20
Other liabilities		3	2
Accrued expenses and deferred income	26	13	11
Total current liabilities		**960**	**728**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,634**	**2,436**
Pledged assets	27	–	–
Contingent liabilities	27	144	147

Parent Company Cash Flow Statement

SEKm	Notes	2012/2013	2011/2012
OPERATING ACTIVITIES			
Profit after financial items		243	233
Adjustment for items not included in cash flow	28	-215	-208
Income tax paid		-69	-27
Cash flow from operating activities before changes in working capital		-41	-2
Cash flow from changes in working capital			
Changes in operating receivables		-1	-1
Changes in operating liabilities		3	1
Cash flow from operating activities		**-39**	**-2**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible non-current assets		0	0
Cash flow from investing activities		**0**	**0**
FINANCING ACTIVITIES			
Repurchase of own shares		–	-71
Exercised and issued call options		24	1
Change in loans		219	149
Change in receivables from and liabilities to Group companies		-239	-82
Dividend paid		-174	-156
Group contributions received		210	160
Cash flow from financing activities		**40**	**1**
Cash flow for the year		**1**	**-1**
Cash and cash equivalents at beginning of year		0	1
Cash and cash equivalents at year-end		**1**	**0**

Parent Company Statement of Changes in Equity

SEKm	Restricted equity: Share capital	Restricted equity: Legal reserve	Unrestricted equity: Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE 1 APR 12	**51**	**18**	**891**	**960**
Profit for the year	–	–	165	165
Other comprehensive income	–	–	–	–
Comprehensive income for the year	**–**	**–**	**165**	**165**
Dividend	–	–	-174	-174
Call options issued	–	–	2	2
Call options exercised	–	–	22	22
EQUITY, CLOSING BALANCE 31 MAR 13	**51**	**18**	**907**	**976**

SEKm	Restricted equity: Share capital	Restricted equity: Legal reserve	Unrestricted equity: Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE 1 APR 11	**51**	**18**	**969**	**1,038**
Profit for the year	–	–	148	148
Other comprehensive income	–	–	–	–
Comprehensive income for the year	**–**	**–**	**148**	**148**
Dividend	–	–	-156	-156
Call options issued	–	–	1	1
Repurchase of own shares	–	–	-71	-71
EQUITY, CLOSING BALANCE 31 MAR 12	**51**	**18**	**891**	**960**

For comments on shareholders' equity, refer to Note 20.

Note 1 Accounting and valuation policies

General accounting policies

The consolidated annual accounts were prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Union (EU). Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, was also applied.

The annual accounts of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board.

The Parent Company's and the Group's accounting policies are consistent with each other, except in the case of reporting pensions, untaxed reserves and appropriations. See also "Accounting policies of the Parent Company".

The Board approved the Parent Company's annual report and the Group's consolidated financial statements for publication on 19 June 2013. The Parent Company's and Group's respective income statements and balance sheets will be submitted for adoption to the Annual General Meeting on 28 August 2013.

Presentation of the annual report

The financial reports are stated in million Swedish kronor (SEK million) unless otherwise specified. The Parent Company's functional currency is the Swedish krona, as is the presentation currency for the Parent Company and the Group. Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are measured at fair value. Assets held for sale are recognised at the lower of the previous carrying amount and fair value, less selling expenses.

Preparing financial reports according to IFRS requires that management makes judgements and estimates as well as assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and numerous other factors deemed reasonable under the circumstances at the time. Estimates and assumptions are reviewed periodically.

The annual accounts were prepared in compliance with IAS 1 Presentation of Financial Statements, such that separate income statements and balance sheets, as well as statements of other comprehensive income, financial position, changes in shareholders' equity and cash flow, are prepared and notes are provided that detail the accounting policies and disclosures applied.

Assets are divided into current assets and non-current assets. An asset is considered current if it is expected to be realised within 12 months of the end of the reporting period or within the Company's operating cycle. 'Operating cycle' refers to the time elapsed from the start of production until the Company receives payment for goods or services delivered. The Group's operating cycle is judged to be less than one year.

If an asset does not fulfil the current asset criterion, it is classified as a non-current asset.

Receivables and liabilities, as well as income and expenses, are offset only if required or if expressly permitted under IFRS.

Liabilities are divided into current liabilities and non-current liabilities. Current liabilities are liabilities to be paid within 12 months of the end of the reporting period or, in the case of operating liabilities only, that are expected to be paid within the operating cycle. As this takes into account the operating cycle, no non-interest-bearing liabilities, such as accounts payable or accrued staff costs, are recognised as non-current liabilities.

Early application of IFRSs and interpretations issued or revised during Addtech's 2012/2013 financial year

No newly issued IFRSs or interpretations were applied early.

New or revised IFRSs applied during the 2012/2013 financial year

Revised IFRSs and interpretations issued by the IFRS Interpretations Committee have not had any effect on the financial statements of the Group or Parent Company.

New or revised IFRSs that will be applied during periods ahead

The revised IAS 19, Employee benefits, is applicable as of 1 April 2013. The change involves the disappearance of the alternative of deferring actuarial gains and losses according to the corridor method. The standard also contains new rules regarding the recognition of special employer's contribution. As of 1 April 2013, Addtech's pension liabilities, which are recognised in the balance sheet, will thus increase by around SEK 39 million. Equity will decrease by around SEK 26 million.

As of 2013/2014, the new IFRS 13 standard, Fair Value Measurement, and amendments to IFRS 7 Financial Instruments: disclosures, will be applied. The changes involve the addition of further disclosures.

Other new or revised IFRSs or interpretations issued that come into force during or after the coming 2013/2014 financial year are not judged to have any material effect on Addtech's financial statements besides the increased disclosure requirements.

Consolidated financial statements

The consolidated financial statements comply with IAS 27 Consolidated and Separate Financial Statements and IFRS 3 Business Combinations and include the annual accounts for the Parent Company and those companies in which the Parent Company directly or indirectly has a controlling interest. Such controlling interest exists when the Parent Company, directly or indirectly, is entitled to determine a company's financial and operative strategies to obtain economic benefits. Normally this means that the Parent Company holds more than 50 percent of the voting rights of the interests. Shareholdings in Group companies are eliminated using the acquisition method. In brief, this means that identifiable assets, liabilities and contingent liabilities in the company acquired are measured and recognised in the consolidated financial statements as if they had been acquired directly by purchase and not indirectly by acquisition of the company's shares. The valuation is based on fair values. If the value of the net assets is less than the acquisition price, consolidated goodwill arises. If the opposite occurs, the difference is recognised directly in profit or loss. Goodwill is determined in local currency and is recognised at cost, less any impairment losses. Consolidated equity includes the Parent Company's equity and the portion of subsidiaries' equity earned after the time of acquisition. Companies acquired or disposed of are consolidated or deconsolidated, respectively, from the date of acquisition or disposal.

Contingent considerations are measured at fair value at the time of the transaction and are subsequently revalued on each reporting occasion. Effects of the revaluation are recognised as income or expense in consolidated profit or loss. In the Parent Company, a change in liability for an additional consideration affects the value of interests in subsidiaries. Transaction costs in conjunction with acquisitions are expensed; capitalisation only takes place in the Parent Company. It is now possible for a holding that is not a controlling interest to be measured at fair value upon acquisition, which means that goodwill is included in non-controlling interests. Alternatively, non-controlling interests constitute part of net assets. The choice is determined individually for each acquisition.

Intra-Group receivables and liabilities and transactions between companies in the Group, as well as related unrealised gains, are wholly eliminated. Unrealised losses are eliminated in the same way as unrealised gains, except in the case of impairment.

Exchange rate effects

Translation of the financial reports of foreign Group companies

Assets and liabilities in foreign operations, including goodwill and other surpluses and deficits on consolidation, are converted to Swedish kronor using the exchange rate prevailing at the end of the reporting period. Income and expenses in foreign businesses are converted to Swedish kronor using the average rate, which is an approximation of the rates prevailing at the time of each transaction. Translation differences resulting from the conversion of foreign operations' accounts are recognised through other comprehensive income in the foreign currency translation reserve in equity. This reserve contains translation differences accumulated from 1 April 2004, when IFRS were adopted.

Transactions denominated in foreign currencies

A transaction denominated in a foreign currency is converted to the functional currency at the rate of exchange on the transaction date. Monetary assets and liabilities in foreign currency are converted to the functional currency using the rate prevailing at the end of the reporting period. Non-monetary assets and liabilities recognised at historical cost are converted using the exchange rate at the time of the transaction. Exchange differences that arise in conversion are recognised in profit or loss. Exchange differences on operating receivables and operating liabilities are included in operating profit or loss, while exchange differences on financial receivables and liabilities are recognised among financial items. The Group uses forward foreign exchange contracts to a certain extent to reduce its exposure to exchange rate fluctuations. Forward foreign exchange contracts are recognised at fair value at the end of the reporting period.

Financial assets and liabilities, recognition and derecognition

Financial instruments recognised among assets in the balance sheet include cash and cash equivalents, loan receivables, accounts receivable, financial investments and derivatives. The liabilities include accounts payable, loans payable, contingent considerations and derivatives. A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the terms and conditions of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. A financial asset (or part thereof) is removed from the balance sheet when the rights in the contract are realised or expire or the Company loses control over them. A financial liability (or part thereof) is removed from the balance sheet when the obligation in the contract is fulfilled or in some other way ceases to exist. A financial asset and a financial liability are only offset and recognised at the net amount in the balance sheet when the Company is legally entitled to offset their amounts and the Company intends to settle the items with a net amount or simultaneously realise the asset and settle the liability.

Financial assets and liabilities, measurement and classification

Financial instruments are measured and recognised in the Group as per IAS 39.

A financial instrument that is not a derivative is initially recognised at cost, equivalent to the instrument's fair value plus transaction costs; this applies to all financial instruments except those in the category of financial assets measured at fair value through profit or loss. At initial recognition, a financial instrument is classified based on the purpose for which it was acquired. The classification determines how the financial instrument is measured after initial recognition, as described below.

Financial instruments measured at fair value are classified in a hierarchy based on the origin of the inputs used in the evaluation. At level 1 are financial instruments with a price quoted in an active market. Level 2 comprises financial instruments whose value is determined based on observable market data, though not prices quoted in an active market. Level 3 includes using inputs, such as cash-flow analyses, not based on observable market data.

Financial assets and liabilities measured at fair value through profit or loss

This category consists of two subgroups: financial assets and liabilities held for trading, and other financial assets and liabilities that the Company initially chose to place in this category. The first group includes derivatives unless they are designated hedging instruments. The other group contains contingent considerations in conjunction with acquisitions of subsidiaries.

Accounts receivable and loan receivables

Loan receivables and accounts receivable are financial assets that are not derivatives, with fixed payments or with payments that can be determined, and that are not quoted on an active market. Assets in this category are measured at amortised cost.

Accounts receivable are recognised at the amount expected to be recovered, after deduction for doubtful receivables, assessed individually. The expected maturities of accounts receivable are short, so they are recognised at nominal amounts without discounting. Impairment losses on accounts receivable are recognised in operating expenses.

Available-for-sale financial assets

This category comprises financial assets not classified in any other category or financial assets that the Company initially chose to classify in this category. Shares and interests not recognised as subsidiaries, associates or joint ventures are recognised here. Assets in this category are measured on a current basis at fair value, with changes in value recognised directly in other comprehensive income, except for changes attributable to impairment losses. However, holdings that are unquoted and of which the fair value cannot be calculated reliably are recognised at cost.

Other financial liabilities

Loans and other financial liabilities, such as accounts payable, are included in this category. These liabilities are measured at amortised cost. Accounts payable are measured at nominal amounts without discounting.

Derivatives and hedge accounting

Derivative instruments include currency clauses, forward foreign exchange contracts, currency options, currency swaps and interest rate caps used to cover the risk of foreign exchange rate fluctuations and exposure to interest rate risk. An embedded derivative, for example a currency clause, is disclosed separately unless closely related to its host contract. Derivatives are initially recognised at fair value, so transaction costs are charged to profit or loss for the period. After the initial recognition, the derivative instrument is measured at fair value according to the following: changes in value of derivative instruments are recognised in profit or loss based on purpose of the holding. When a derivative is used in hedge accounting, changes in a derivative's value are recognised in profit or loss on the same line and at the same time as the item it is hedging.

Even if hedge accounting does not apply, increases and decreases in the value of a derivative are recognised as income and expense, respectively, in operating profit or loss or in net financial items, based on the intended use of the derivative and whether or not its use is related to an operating item or a financial item.

In hedge accounting, the ineffective portion is recognised in the same way as changes in the value of derivatives not used for hedge accounting.

Transaction exposure - cash flow hedges

Foreign currency exposure related to future contractual and forecasted flows is hedged either with currency clauses in customer and supplier contracts or by forward foreign exchange contracts or currency options. These derivatives, which protect the forecasted flow, are recognised in the balance sheet at fair value. Where hedge accounting applies, changes in value are recognised through other comprehensive income in the hedging reserve until the hedged flow enters the income statement, whereupon the accumulated changes in value of the hedging instrument are transferred to the income statement, where they will meet and match the impact of the hedged transaction on earnings.

Net investments in foreign subsidiaries

Investments in foreign subsidiaries (net assets including goodwill) are currently not hedged.

Financial assets and liabilities, classification

Cash and cash equivalents

Cash and cash equivalents consists of cash and funds immediately available in banks and equivalent institutions, as well as short-term liquid investments that mature within three months of the time of acquisition and are subject to only a negligible risk of fluctuation in value.

Financial assets and investments

Financial assets are classified either as non-current financial assets or current investments, depending on the purpose of the holding. If the maturity or the anticipated holding period is longer than one year, such financial assets are considered non-current assets; if shorter than one year, current investments.

Non-current receivables and other current receivables

Non-current receivables and other current receivables are receivables that arise when the Company provides funds without intending to trade in the resulting receivable. If the anticipated holding period is longer than one year, the receivable is a non-current receivable; if shorter, an other current receivable.

Liabilities

Non-current liabilities have an anticipated term exceeding one year, while current liabilities have a term of less than one year.

Property, plant and equipment

Property, plant and equipment are recognised in accordance with IAS 16 Property, Plant and Equipment at cost, less accumulated depreciation and any impairment losses. The cost comprises the purchase price, including customs and excise duties, as well as costs directly attributable to the asset to bring it to the location in such condition that it can be used as intended by the acquisition. Discounts and the like are deducted from the purchase price. Examples of directly attributable costs included in the cost are shipping and handling, installation, legal ratification and consulting services.

Borrowing costs are also capitalised in the cost of qualifying assets. The Group does not normally have qualifying assets.

Additional expenditure for an item of property, plant and equipment is only added to the cost if it increases the future economic benefits. All other expenditure, such as expenditure for repair and maintenance, is expensed on a current basis. A decisive factor as to when an incremental expenditure should be added to the cost is whether the expenditure refers to the replacement of identified components or parts thereof, in which case the expenditure is capitalised. Also, if a new component has been created, the expenditure is added to the cost. Any undepreciated carrying amounts for replaced components, or parts of components, are retired and expensed in conjunction with the replacement.

Any impairment is reported as per IAS 36 Impairment of Assets.

Depreciation is effected on a straight-line basis over the estimated useful life and taking account of any residual value at the end of that period.

Property, plant and equipment comprising parts that have different useful lives are treated as separate components.

The carrying amount of an item of property, plant and equipment is removed from the balance sheet upon retirement or disposal of the asset, or when no future economic benefits are expected to be derived from its use. Gains or losses realised upon the disposal or retirement of an asset consist of the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains or losses are recognised as other operating income or other operating expense.

Property, plant and equipment	Useful life
Buildings	15–100 years
Leasehold improvements	3–5 years
Equipment	3–5 years
Land improvements	20 years
Machinery	3–10 years

Leases

IAS 17 Leases differentiates between finance and operating leases. A finance lease is characterised by the lessee assuming, in all essential respects, the economic benefits and risks associated with ownership of the asset. If that is not the case, the lease is regarded as an operating lease.

Significant finance leases are recognised as non-current assets, initially valued at the present value of the minimum lease payments when the agreement was entered into. On the liabilities side, the present value of remaining future lease payments is recognised as interest-bearing non-current and current liabilities. The asset is depreciated over its useful life, usually corresponding to the lease period, taking into account any residual value at the end of the period. Impairment is tested in accordance with IAS 36 Impairment of Assets.

Lease payments are divided into interest and amortisation of the liability. Other lease obligations are recognised as per rules for operating leases, such that lease payments are charged as an operating expense on a straight-line basis during the lease period.

Intangible non-current assets

Intangible non-current assets are recognised in accordance with IAS 38 Intangible Assets at cost, less accumulated amortisation, and are divided between goodwill and other intangible non-current assets. Any impairment of intangible assets is recognised as per IAS 36 Impairment of Assets.

An intangible asset is an identifiable non-monetary asset, without physical substance, that is used for marketing, producing or supplying goods or services, or for rental and administration. To be recognised as an asset, it must be probable that the future economic benefits attributable to the asset will benefit the Company and that the (acquisition) cost can be calculated reliably.

Additional expenditure for an intangible asset is only added to the cost if it increases future economic benefits beyond the original assessment and if the expenditure can be calculated reliably. All other expenditure is expensed as it is incurred.

Goodwill represents the difference between the cost, in connection with a business combination, and the fair value of acquired assets, assumed liabilities and contingent liabilities.

For acquisitions completed before 1 April 2004, goodwill has been recognised, after testing for impairment, at a cost corresponding to the carrying amount as per previous accounting policies. The classification and accounting treatment of business combinations that occurred before 1 April 2004 were not reassessed based on IFRS 3 when the Group's opening balance as of 1 April 2004 was calculated in accordance with IFRS.

Goodwill and intangible non-current assets with indefinable useful lives are measured at cost, less any accumulated impairment losses. Goodwill and intangible non-current assets with indefinable useful lives are allocated among cash-generating units and are not amortised but are tested for impairment on an annual basis.

Intangible assets aside from goodwill are recognised at their original cost, less accumulated amortisation and impairment losses.

Borrowing costs are also capitalised in the cost of qualifying assets. The Group does not normally have qualifying assets.

Amortisation is charged primarily on a straight-line basis and is based on the useful lives of the assets, which are reviewed on an annual basis. An asset's useful life is based on historical experience of use of similar assets, areas of application and other specific features of the asset.

Amortisation is included in cost of sales, selling expenses or administrative expenses, depending on where in the business the assets are used.

Expenditure for development, in which the results of research or other knowledge are applied to achieve new or improved products or processes, is recognised as an asset in the balance sheet if the product is technically and commercially viable and the Company has sufficient resources to complete development and subsequently use or sell the intangible asset. Other development expenditure is expensed as it is incurred.

Expenditure for internally generated goodwill and trademarks is recognised in profit or loss as an expense as it is incurred.

Intangible non-current assets	Useful life
Capitalised development projects	3 years
Customer relationships	5–10 years
Supplier relationships	10–33 years
Software for IT operations	3–5 years
Technology	5–15 years
Trademarks	indeterminable

Impairment losses

Property, plant and equipment, intangible assets and interests in subsidiaries and associates

The carrying amounts of Group assets are tested as soon as there is indication that the asset in question has decreased in value. If such indication exists, impairment is determined after calculating the recoverable amount of the asset, which is the higher of an asset's value in use and its fair value. Impairment loss is recognised if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the Company is expected to receive by using the asset. The estimated residual value at the end of the useful life is included in the value in use. If the recoverable amount of an individual asset cannot be determined, the recoverable amount is set at the recoverable amount for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest group of assets that give rise to continuous payment surpluses independent of other assets or groups of assets. Goodwill on consolidation is attributable to the cash-generating unit to which the goodwill is linked. Impairment losses are reversed when the impairment, wholly or partly, no longer exists. However, this does not apply to goodwill or intangible non-current assets with indefinable useful lives.

For goodwill and other intangible assets with indefinable useful lives and for intangible assets not yet ready for use, the recoverable amount is calculated annually.

Financial assets

When accounts are prepared for reporting, the Company assesses whether there is objective evidence that any financial asset or group of assets is impaired. The recoverable amount of loan receivables and accounts receivable recognised at amortised cost is calculated as the present value of future cash flows discounted by the effective interest rate prevailing when the asset was first recognised. Assets with short maturities are not discounted. Impairment losses are charged to the income statement.

Inventories

Inventories, that is, raw materials and finished goods for resale, are carried at the lower of cost and net realisable value, hence taking into account the risk of obsolescence. The cost is calculated using the first-in, first-out (FIFO) principle or weighted average prices.

In the case of finished and semi-finished goods manufactured in-house, the cost consists of direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Normal capacity utilisation is taken into account in valuation.

Capital

Addtech's overriding goal is to achieve growth combined with profitability. Addtech's objective is earnings growth of at least 15 percent annually over the course of a business cycle. The profitability of each individual unit, the relationship between operating profit and working capital (P/WC), shall amount to at least 45 percent. P/WC encourages high operating profit and low levels of tied-up capital. When combined with the growth target of 15 percent, this provides conditions for profitable growth. Working capital is defined as the average of inventories and accounts receivable, less accounts payable.

Shareholders' equity

No expressed measure related to shareholders' equity is used internally. Externally, Addtech's objective is to have a robust equity ratio.

Addtech's dividend policy involves a payout ratio exceeding 50 percent of consolidated average profit after tax over a business cycle.

Repurchasing treasury shares occurs, and the Board normally proposes obtaining a mandate to repurchase treasury shares, which involves acquiring an amount of shares such that Addtech's own holding at no time exceeds 10 percent of all shares in the Company. The purpose of the repurchase is to provide the Board with increased scope for action in its work with the Company's capital structure, to enable the use of repurchased shares as payment in acquisitions, and to secure the Company's commitments in existing incentive programmes.

When treasury shares are repurchased, the entire consideration reduces retained earnings. Proceeds from the disposal of equity instruments are recognised as an increase in retained earnings, as are any transaction costs.

Employee benefits

Employee benefits are recognised in the consolidated financial statements as per IAS 19 Employee Benefits.

Employee benefits after termination of employment, pension obligations

Addtech has defined benefit pension plans in Sweden and Norway. In these plans, a pension is determined mainly by the salary received at the time of retirement. The plans cover many employees, but some defined contribution plans also apply. Subsidiaries in other countries in the Group mainly have defined contribution pension plans.

The recommendation differentiates between defined contribution pension plans and defined benefit pension plans. In defined contribution plans, the Company pays stipulated fees to a separate legal entity and has no obligation to pay additional fees. Costs are charged to the Group's profit or loss at the rate at which the benefits are earned. In defined benefit pension plans, benefits are paid to current and former employees based on their salary upon retirement and the number of years of service. The Group bears the risk for payment of promised benefits.

The Group's net obligation to defined benefit plans is calculated individually for each plan by estimating future benefits that employees have earned through employment in current and previous periods. These benefits are discounted to a present value, and any unreported costs related to service in previous periods and the fair value of any plan assets are deducted.

Defined-benefit pension plans are both funded and unfunded. When a plan is funded, its assets have been separated into plan assets. These plan assets can only be used for payments of benefits as per the pension agreements. The net value of the estimated present value of the obligations and the fair value of plan assets is recognised in the balance sheet, either as a provision or as a non-current financial receivable. When a surplus in a plan cannot be fully utilised, only the portion of the surplus that the Company can recover through reduced future fees or repayments is recognised. A surplus in one plan is only offset by a deficit in another plan if the Company is entitled to utilise a surplus in one plan to settle a deficit in another plan, or if the obligations are intended to be settled on a net basis.

The pension cost and pension obligation for defined benefit pension plans are calculated using the Projected Unit Credit Method. This method distributes the cost of pensions at the rate at which employees perform services for the Company that increase their rights to future benefits. The aim is to expense expected future pension payouts in a manner that provides an even cost over the employee's period of employment. This calculation takes into account anticipated future salary increases and anticipated inflation. The Company's obligation is calculated annually by independent actuaries. The discount rate used is equivalent to the interest rate on high-quality corporate bonds or government bonds with a maturity equivalent to the average maturity of the obligation and currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis and for Norwegian pension liabilities, the interest rate for Norwegian corporate bonds is used.

Actuarial gains and losses may arise when establishing the obligation's present value and fair value on plan assets. These may arise either because the actual outcome differs from previously made assumptions, or because assumptions were changed. To avoid major changes in pension costs between years, changes within certain limits (the 'corridor') are disregarded in the income statement and balance sheet. With the corridor, actuarial gains and losses affect consolidated profit/loss only to the extent they exceed the higher of 10 percent of the present value of the pension obligation and 10 percent of the fair value of the plan assets. The portion of the accumulated actuarial gains and losses, at the end of the previous year, that exceeds 10 percent of the greater of the present value of the obligations and the fair value of plan assets is recognised in profit/loss during the expected average remaining service period of the employees covered by the plan. The reported return on plan assets refers to the return estimated at the start of the year and therefore normally differs from the actual return during the year. The difference is an actuarial gain or loss.

A portion of the Group's defined benefit pension obligations has been financed through premiums to Alecta. The required information cannot be obtained from Alecta, so these pension obligations are reported as a defined contribution pension plan.

When the cost of a pension is determined differently in a legal entity than in the Group, a provision or claim for taxes on pension costs is recognised, such as a special employer's contribution for Swedish companies based on this difference. The present value for the provision or claim is not calculated.

Benefits upon termination of employment

A cost for benefits in conjunction with termination of employment is recognised only if there is a formal, detailed plan to terminate employment prior to the normal date.

Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognised as an expense when the related services are performed.

A provision for the expected costs of bonus disbursements is recognised when the Group has a valid legal or informal obligation to make such payments as a result of services received from employees and where the obligation can be calculated reliably.

Share-based incentive programmes

The Group's share-based incentive programmes make it possible for senior management to purchase shares in the Company. The employees have paid a market premium for call options on Class B shares. The programme includes a subsidy so that the employee receives the same sum as the option premium paid in the form of cash payment, i.e. salary. This subsidy shall be paid two years after the issue decision, providing that the option holder is still employed in the Group and owns call options at that time. The subsidy, and related social security costs, is distributed as employee benefits expense over the vesting period. Addtech has no obligation to repurchase the options when an employee terminates employment. The holder can redeem the options irrespective of future employment at the Group. See also Note 6.

Provisions and contingent liabilities

A provision is recognised in the balance sheet when the Company has a formal or informal obligation as a result of a transpired event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. If the effect is material, the provision is based on a present value calculation.

Provisions are made for future costs resulting from warranty undertakings. The calculation is based on expenditure during the financial year for similar undertakings or the estimated costs for each undertaking.

Provisions for restructuring costs are recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been announced.

Contingent liabilities are recognised when a possible undertaking exists stemming from past events and the existence of the undertaking is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the Company's control. Other obligations are also recognised as contingent liabilities if they result from past events but are not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the undertaking or because the size of the undertaking cannot be determined with sufficient accuracy.

Revenue recognition

Sales revenue and revenue from projects in progress are recognised as per IAS 18 Revenue. The fair value of what has been received, or what will be received, is recognised as sales revenue. Deductions are made for value-added tax, returns, discounts and price reductions. Revenue from sales of goods is recognised when certain requirements have been met. These requirements are that material risks and benefits associated with ownership of the goods have been transferred to the purchaser, that the selling company does not retain any involvement in ongoing administration nor does it exert any real control over the goods sold, that the revenue can be calculated reliably, that it is likely that the economic benefits that the Company will obtain from the transaction will accrue to the Company, and that the expenses that have arisen or are expected to arise as a result of the transaction can be calculated reliably.

Revenue from projects in progress is recognised in increments as projects are completed. The degree of completion is determined on the basis of accumulated project expenses at the end of the period as a proportion of estimated total project expenses. If future costs to complete a project are estimated to exceed remaining revenue, a provision is made for estimated losses.

Lease revenue is recognised on a straight-line basis in profit or loss based on the terms of the lease.

Finance income and costs

Interest income on receivables and interest expense on liabilities are computed using the effective interest method. The effective rate is the interest rate that makes the present value of all future receipts and payments during the period of fixed interest equal to the carrying amount of the receivable or liability. Interest income includes accrued rebates, premiums and other differences between the original value of the receivable and the amount received upon maturity. Interest and dividends are recognised as income when it is probable that the economic benefits associated with the transaction will accrue to the Company and that the income can be calculated reliably.

Income taxes

Income tax is recognised as per IAS 12 Income Taxes. Tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the associated tax effect is also recognised in other comprehensive income or equity. Current tax refers to tax that is to be paid or refunded for the current year. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated using the liability method based on temporary differences between carrying amounts and tax bases of assets and liabilities. The amounts are calculated depending on how the temporary differences are expected to be settled and by applying the tax rates and tax rules enacted or announced at the end of the reporting period. Temporary differences are not taken into account in Group goodwill, nor in differences attributable to interests in subsidiaries or associates owned by Group companies outside Sweden that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are allocated to deferred tax liability and equity. Deferred tax assets related to deductible temporary differences and tax loss carry-forwards are only recognised to the extent it is likely they will reduce tax payments in the future.

Segment reporting

The Group's operations are described in accordance with IFRS 8 Operating Segments. Assets and liabilities as well as income and expenses are attributed to the segment where they are used, earned and consumed, respectively. The operating segment's earnings are monitored by the highest executive decision-maker, i.e. the CEO of Addtech.

The division into operating segments is based on the business area organisation, by which the Group's operations are managed and monitored. These are Addtech Components, Addtech Energy, Addtech Industrial Solutions and Addtech Life Science. Operations that do not belong to these areas of operation are included under the heading Parent Company and Group items.

As of 1 April 2012, a minor reorganisation has been implemented in the Group. A number of subsidiaries have been moved between the business areas Addtech Components, Addtech Energy and Addtech Industrial Solutions. The Addtech Life Science business area has not been affected by the reorganisation. The business area that was formerly Addtech Energy & Equipment changed names to Addtech Energy in connection thereto.

Earnings per share

Addtech discloses earnings per share (EPS) in direct connection with the income statement.

Calculation of EPS is based on consolidated profit or loss for the year attributable to Parent Company shareholders and on the weighted average number of shares outstanding during the year. To calculate diluted EPS, the average number of shares is adjusted to take into account the effect of potentially dilutive ordinary shares that, during the periods reported, result from options awarded to employees.

Cash flow statement

In preparing the cash flow statement, the indirect method was applied as per IAS 7 Statement of Cash Flows. In addition to flows of cash and bank funds, current investments maturing within three months of the acquisition date that can be converted into bank deposits at an amount known beforehand are classified as cash and cash equivalents.

Events after the reporting period

Events that occurred after the reporting period but whose circumstances were identifiable at the end of the reporting period are included in the reporting. If significant events occurred after the reporting period but did not affect the recognised results of operations or financial position, the event is disclosed under a separate heading in the administration report and in a note.

Related party disclosures

Information about transactions and agreements with closely related companies and natural persons is disclosed in accordance with IAS 24 Related Party Disclosures. In the consolidated financial statements, intra-Group transactions fall outside this reporting requirement.

Changes in accounting policies

When there is a change in accounting policy, the current period, previous period and accumulated amount per the opening of the comparative period are restated, unless otherwise prescribed by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. If a change in accounting policy affects equity, the effect is recognised on a separate line in the statement of changes in equity.

Government grants

Government grants refers to support from the government in the form of transfers of resources to a company in exchange for the company fulfilling (in the past or future) certain conditions regarding its operations.

The Group is active in areas where government grants are insignificant in scope.

Personnel information

The Swedish Annual Accounts Act requires more information than IFRS, including information about the gender of the Board of Directors and management.

Data on gender distribution refer to the situation at the end of the reporting period. 'Members of the Board of Directors' are directors, elected by a general meeting of shareholders, in the Parent Company and in Group companies. 'Members of senior management' are people in Group management, Managing Directors and vice MDs at Group companies.

Accounting policies of the Parent Company

The Parent Company applies the same accounting policies as the Group does, except where the Swedish Annual Accounts Act and the Swedish Act on Safeguarding Pension Obligations prescribe different procedures for the Parent Company.

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities, from the Swedish Financial Reporting Board. RFR 2 prescribes that, in the annual accounts for its legal entity, the Parent Company shall apply all EU-approved IFRSs and standard interpretations to the greatest extent possible within the scope of the Annual Accounts Act and taking account of the relationship between reporting and taxation. The recommendation specifies which exceptions from and additions to IFRSs must be made.

Interests in Group companies are recognised in the Parent Company using the cost method, which means that transaction costs are included in the carrying amount for holdings in subsidiaries. Any changes in liabilities for contingent consideration are added to or reduce the (acquisition) cost. In the Group, transaction costs are expensed and changes in liabilities for contingent considerations are entered as income or expense.

Dividends received are recognised as income.

Instead of IAS 19, the Swedish Act on Safeguarding Pension Obligations is applied in the Parent Company when calculating defined benefit pension plans. The most significant differences compared to IAS 19 are the method for determining the discount rate, that the defined benefit obligation is calculated based on current salaries without assuming future salary increases and that all actuarial gains and losses are recognised in profit or loss as they occur.

The Parent Company recognises untaxed reserves including deferred tax liabilities, rather than dividing them into deferred tax liabilities and equity as is done for the Group.

A Group contribution received from a subsidiary is recognised in the Parent Company according to the same principles as a received dividend, i.e. as financial income. A Group contribution paid from a Parent Company to a subsidiary is recognised as an increase in interests in subsidiaries, or the Group contribution paid can be recognised in the Parent Company income statement. Shareholder contributions are recognised directly in the equity of the recipient and are capitalised in the contributor's shares and interests, insofar as no impairment is required. Because the Parent Company Addtech AB already recognised received Group contributions in the same way as dividends, this does not involve any change from the existing application.

Recommendation RFR 2 from the Swedish Financial Reporting Board was applied to financial guarantee contracts, so rules in IAS 39 for recognising and measuring financial guarantee contracts benefiting subsidiaries were not applied.

Note 2 Critical estimates and assumptions

The carrying amounts of certain assets and liabilities are based in part on estimates and assumptions. This applies particularly to impairment testing of goodwill (Note 14) and to defined benefit pension obligations (Note 22). Assumptions and estimates are continually evaluated and are based on historical experience and expectations regarding future events deemed reasonable under prevailing circumstances.

Tests are performed each year to determine if goodwill is impaired. The recoverable amount for cash-generating units has been determined by calculating values in use. For these calculations, certain estimates must be made.

A large part of the Group's pension obligations for salaried employees is on a defined benefit basis and is covered by collective policies with Alecta. Currently, it is impossible to obtain data from Alecta on the

Group's share of obligations and plan assets, so the pension plan with Alecta must be recognised as a defined contribution plan. The consolidation ratio reported by Alecta does not indicate any deficit, but it is not possible to obtain detailed information from Alecta about the size of the pension obligation.

The present value of pension obligations recognised as defined benefit plans depends on multiple factors determined on an actuarial basis using a number of assumptions. In establishing these assumptions, Addtech consults with actuaries, and for the Norwegian pension liabilities Addtech complies with the guidelines issued by The Norwegian Accounting Standards Board. The assumptions used to determine the present value of the obligation include the discount rate and salary increases. Each change in these assumptions will affect the carrying amount of pension obligations. See also Note 22.

Note 3 Financial risks and risk management

Goals and policy for risk management

Addtech strives for structured and efficient management of the financial risks that arise in operations, which is manifest in the financial policy adopted by the Board of Directors. The financial operations are not conducted as a separate line of the business; they are merely intended to constitute support for the business and reduce risks in the financial operations. The policy stipulates goals and risks in the financial operations, and how they are to be managed. The financial policy expresses the goal of minimising and controlling financial risks. The policy defines and identifies the financial risks that arise at Addtech and how responsibility for managing these risks is distributed in the organisation. The financial risks defined in the financial policy are transaction exposure, translation exposure, refinancing risk, interest rate risk, margin risk, liquidity risk and issuer/borrower risk. Operational risks, that is, financial risks related to operating activities, are managed by each subsidiary's management according to principles in the financial policy and subordinate process descriptions approved by the Group's Board of Directors and management. Risks such as translation exposure, refinancing risk and interest rate risk are managed by the Parent Company, Addtech AB. Financial derivatives with external counterparties may only be entered by Addtech AB. The subsidiaries hedge their risk with Addtech AB which, in turn, hedges the net risk on the external market.

Currency risks

The Addtech Group conducts extensive trade abroad and a material currency exposure therefore arises in the Group, which must be managed in such a way as to minimise the impact on earnings ensuing from exchange rate fluctuations.

The Group applies decentralised responsibility for currency risk management. This involves risk identification and risk hedging occurring at subsidiary level. It is important to capitalise on the size of the Group and natural circumstances to match flows, and the subsidiaries shall therefore hedge their risk with the Parent Company which, in turn, hedges the net risk of the Group on the external market. Currency risk is defined as the risk of a negative effect on profit resulting from changes in foreign exchange rates. For Addtech, currency risk arises 1) as a result of future payment flows in foreign currency, known as transaction exposure, and 2) because parts of the Group's equity comprise net assets in foreign subsidiaries, known as translation exposure.

Transaction exposure

Transaction exposure comprises all future contracted and forecast ingoing and outgoing payments in foreign currency. The Group's currency flows usually pertain to flows in foreign currency from purchases, sales and dividends. Transaction exposure also comprises financial transactions and balances. During the year, the Group's payment flows in foreign currencies were distributed as follows:

	Currency flows, gross 2012/2013		Currency flows, net	
SEKm	Inflows	Outflows	2012/2013	2011/2012
EUR	1,054	1,580	-526	-515
USD	240	384	-144	-150
JPY	67	125	-58	-50
GBP	32	65	-33	-40
CHF	9	95	-86	-75

The effects of exchange rate fluctuations are reduced by buying and selling in the same currency, through currency clauses in customer contracts and, to a certain degree, by forward purchases or sales of foreign currency. Currency clauses are a common method in the industry for handling uncertainty associated with future cash flows. A currency clause means that compensation will be paid for any changes in the exchange rate that exceed a certain predefined level during the contract period. If these thresholds are not reached, for example when the exchange rate changes by less than two percentage points, no compensation is paid. The currency clauses adjust the exchange rate change between the time the order is placed and the invoice date. Currency clauses are symmetrically designed, which means that compensation is charged or credited when the exchange rate rises or declines beyond the predefined thresholds.

Of Group net sales, currency clauses cover about 15 percent and sales in the purchasing currency make up about 35 percent. In certain transactions, there is a direct link between the customer's order and the associated purchase order, which is a good basis for effective currency risk management. However, in many cases the dates of the orders do not coincide, which may reduce the effectiveness of these measures. The subsidiaries have reduced their currency exposure by using forward foreign exchange contracts. At the end of the financial year, there were outstanding forward foreign exchange contracts in a net amount of SEK 101 million, of which EUR equalled SEK 61 million, JPY SEK 6 million and USD SEK 33 million. Out of the total contracts, SEK 72 million matures within six months and SEK 29 million within 12 months. Hedge accounting does not apply to forward foreign exchange contracts and they are classified as a financial asset measured at fair value - held for trading. Hedge accounting applies to embedded derivatives consisting of currency clauses, and they are classified as derivatives used in hedge accounting. The cash flow effect from embedded derivatives normally occurs within six months.

The Group has a net exposure in several currencies. If each separate currency pair changes by 5 percent, the aggregate effect on profit would total about SEK 17 million (18), all else being equal. Inflows and outflows in the same currency mean that the Group's exposure is relatively limited. Currency flows in the Parent Company are mainly in Swedish kronor (SEK). To the extent that internal and external loans and investments in the Parent Company are in foreign currency, 100 percent of the capital amount is hedged.

Translation exposure

The translation exposure of the Addtech Group is currently not hedged. The Group's net assets are divided among foreign currencies as follows:

	31 Mar 13		31 Mar 12	
Net investments	SEKm	Sensitivity analysis [1]	SEKm	Sensitivity analysis [2]
NOK	469.8	23.5	284.1	14.2
EUR	295.7	14.8	340.4	17.0
DKK	188.4	9.4	200.8	10.0
PLZ	32.1	1.6	24.1	1.2
TTD	15.7	0.8	–	–
GBP	9.3	0.5	6.8	0.3
HKD	7.1	0.4	8.7	0.4
LVL	1.5	0.1	–	–

[1] Impact of +/–5% in exchange rate on Group equity

2) Circumstances in the previous year

When translating the income statement of units with a functional currency other than SEK, a translation effect arises when exchange rates vary. With the present distribution of Group companies' different functional currencies, a change of 1 percentage point in the exchange rates would have an effect of SEK +/- 27 million (25) on net sales and SEK +/-2 million (2) on operating profit.

The exchange rates used in the financial statements are shown in the following table:

	Average rate		Closing day rate	
Exchange rate	2012/2013	2011/2012	31 Mar 13	31 Mar 12
CHF 1	7.12	7.45	6.85	7.35
CNY 100	106.50	102.68	104.97	105.19
DKK 100	115.64	121.23	112.07	118.89
EUR 1	8.62	9.03	8.36	8.85
GBP 1	10.58	10.46	9.88	10.61
HKD 1	0.86	0.84	0.84	0.85
JPY 1000	81.30	83.20	69.10	80.70
LTL 1	2.50	2.61	2.42	2.56
LVL 1	12.17	–	11.91	–
NOK 100	115.86	116.72	111.23	116.33
PLZ 1	2.07	2.16	2.00	2.13
TRY 1	3.61	–	3.60	–
TTD 1	1.02	–	1.03	–
TWD 1	0.23	0.23	0.22	0.23
USD 1	6.70	6.56	6.53	6.62

Financing and liquidity

The overall objective of Addtech's financing and debt management is to secure financing for the operations in both the long and short term, and to minimise borrowing costs. The capital requirement shall be secured through an active and professional borrowing procedure comprising overdraft and credit facilities. Raising external financing is centralised at Addtech AB. Satisfactory payment capacity shall be achieved through contractual credit facilities. Surplus liquidity is primarily used to pay down outstanding loans. Temporary surpluses in liquid funds are invested at optimum return. Credit, interest rate and liquidity risks shall be minimised when investing liquid funds. The fixed interest term and the period during which capital is tied up may not exceed six months. Only counterparties with high credit ratings are permitted. At 31 March 2013 there were current investments of SEK 0.4 million (-). The Parent Company is responsible for the Group's long-term financing as well as its supply of liquidity. The Parent Company provides an internal bank which lends to and borrows from the subsidiaries. The Group's and Parent Company's non-current and current interest-bearing liabilities are shown in Notes 24 and 25.

To manage surpluses and deficits in different currencies, Addtech uses currency swaps from time to time. This allows the Group to reduce its financing costs and the Company's liquid funds to be used in an efficient manner.

With the current net financial debt, the impact on the Group's net financial items is SEK +/-5 million if interest rates change by one percentage point.

Refinancing risk

The refinancing risk is the risk of Addtech not having access to sufficient financing on each occasion. The refinancing risk increases if Addtech's credit rating deteriorates or if Addtech becomes too dependent on one source of financing. If all or a large part of the debt portfolio matures on a single or a few occasions, this could involve the turnover or refinancing of a large proportion of the loan volume having to occur on disadvantageous interest and borrowing terms.

In order to limit the refinancing risk, the procurement of long-term credit facilities commences nine months at the latest before the credit facility matures. At 31 March 2013, the Group's bank overdraft facilities amounted to SEK 832 million (655) and contractual credit facilities to SEK 300 million (300). Bank overdraft facilities increased by SEK 177 million in the financial year. At 31 March 2013, the Group had utilised SEK 536 million of the bank overdraft facilities. Unutilised bank overdraft facilities and credit facilities amounted to SEK 596 million. Contractually binding credit facilities are contingent upon loan covenants. For covenants, Addtech uses two ratios: EBITDA/net financial items and equity/assets. Addtech meets its present covenants by a margin.

Interest rate risk

The interest rate risk is defined as the risk of changes in interest rates having a negative effect on net financial items due to increased borrowing costs. The interest rate risk is regulated by ensuring that the average fixed interest term of the debt portfolio varies between zero and three years. The debt portfolio consists of bank overdraft facilities, outstanding external loans and interest rate derivatives. At 31 March 2013, the fixed interest term was variable, i.e. 0-3 months. Addtech's main exposure to interest rate risk is in its debt portfolio. Aside from the pension liability, interest-bearing external debt totals SEK 596 million (389).

Issuer/borrower risk and credit risk

Issuer/borrower risk and credit risk are defined as the risk of Addtech's counterparties failing to fulfil their contractual obligations. Addtech is exposed to credit risk in its financial transactions, that is, in investing its surplus liquidity and executing forward foreign exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers.

Addtech's financial function at the Parent Company is responsible for assessing and managing issuer/borrower risk. The financial policy prescribes that surplus liquidity only be invested with counterparties that have a very high credit rating. As in prior years, in 2012/2013 surplus funds were not invested with any counterparties other than Swedish banks, aside from the Group's normal bank contacts.

To utilise its subsidiaries' detailed knowledge of Addtech's customers and suppliers, Addtech has each company assess the credit risk in its commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are the goal, and avoiding excessive concentration of business with individual customers and with specific sectors helps minimise risks. No individual customer accounts for more than 2 percent (3) of total credit exposure during a one-year period. The equivalent figure for the ten largest customers is about 12 percent (12). Exposure per customer segment and geographic market is presented in Note 5. Bad debt losses totalled SEK 3.2 million (1.9) during the year, equal to 0.1 percent (0.0) of net sales.

Accounts receivable, SEKm	31 Mar 13	31 Mar 12
Carrying amount	793.2	759.5
Impairment losses	4.1	4.4
Cost	**797.3**	**763.9**

Change in impaired accounts receivable	2012/2013	2011/2012
Amount at start of year	-4.4	-4.5
Corporate acquisitions	-0.1	-0.3
Year’s impairment losses/reversals	-0.5	0.1
Settled impairment losses	0.7	0.3
Translation effects	0.2	0.0
Total	**-4.1**	**-4.4**

Time analysis of accounts receivable that are overdue but not impaired	31 Mar 13	31 Mar 12
< = 30 days	106.3	67.0
31–60 days	12.8	8.3
> 60 days	6.6	3.8
Total	**125.7**	**79.1**

Measurement of financial assets and liabilities at fair value

The fair value of a listed security is determined based on the publicly quoted price for the asset in an active market (level 1). At the end of the reporting period, the Group had no items in this category. The fair value of foreign exchange contracts and embedded derivatives is determined based on observed market data (level 2). Current and non-current loans are carried at amortised cost. The difference between carrying amount and fair value is marginal for these items. As regards contingent considerations, a cash flow-based valuation is performed that is not based on observable market data (level 3). Fair value and carrying amount are recognised in the balance sheet according to the following tables.

	31 Mar 13						
SEKm	Financial assets and liabilities measured at fair value through profit or loss	Derivatives used in hedge accounting	Accounts receivable and loan receivables	Available-forsale financial assets	Other liabilities	Total carrying amount	Fair value
Financial assets	–	–	–	10 [3]	–	10	10
Non-current receivables	–	–	4	–	–	4	4
Accounts receivable	–	–	793	–	–	793	793
Other receivables [1]	3 [4]	0	–	–	–	3	3
Cash and cash equivalents	–	–	72	–	–	72	72
Total	**3**	**0**	**869**	**10**	**–**	**882**	**882**
Non-current interest-bearing liabilities	10 [5]	–	–	–	1	11	11
Current interest-bearing liabilities	51 [5]	–	–	–	535	586	586
Accounts payable	–	–	–	–	480	480	480
Other liabilities [2]	1 [4]	1	–	–	–	2	2
Total	**62**	**1**	**–**	**–**	**1,016**	**1,079**	**1,079**

	31 Mar 12						
SEKm	Financial assets and liabilities measured at fair value through profit or loss	Derivatives used in hedge accounting	Accounts receivable and loan receivables	Available-forsale financial assets	Other liabilities	Total carrying amount	Fair value
Financial assets	–	–	–	11 [3]	–	11	11
Non-current receivables	–	–	3	–	–	3	3
Accounts receivable	–	–	760	–	–	760	760
Other receivables [1]	1 [4]	0	–	–	–	1	1
Cash and cash equivalents	–	–	50	–	–	50	50
Total	**1**	**0**	**813**	**11**	**–**	**825**	**825**
Non-current interest-bearing liabilities	26 [5]	–	–	–	1	27	27
Current interest-bearing liabilities	60 [5]	–	–	–	302	362	362
Accounts payable	–	–	–	–	489	489	489
Other liabilities [2]	1 [4]	1	–	–	–	2	2
Total	**87**	**1**	**–**	**–**	**792**	**880**	**880**

[1] Part of other receivables in the consolidated balance sheet.

[2] Part of other liabilities in the consolidated balance sheet.

[3] Valued at amortised cost. The difference between amortised cost and fair value is marginal for the Group.

[4] Held for trading. Consist of derivatives in the Parent Company.

[5] Valued according to the fair value option. Consist of contingent considerations.

Impact of financial instruments on net earnings	2012/2013	2011/2012
Assets and liabilities measured at fair value through profit or loss	-3	-3
Derivatives used in hedge accounting	0	1
Accounts receivable and loan receivables	-3	-2
Available-for-sale financial assets	0	0
Other liabilities	-12	-13
Total	**-18**	**-17**

Note 4 Net sales by revenue type

Group	2012/2013	2011/2012
OEM		
Components	2,801	2,808
Products for end users		
Components	1,456	1,302
Machinery/Instruments	314	314
Materials	709	649
Services	123	127
Total	**5,403**	**5,200**

OEM components are built into the products that Addtech's customers produce. OEM stands for 'original equipment manufacturer'. Products for end users comprise all other uses. As regards other revenue types, dividends and interest income are recognised in financial items, see Note 11.

Addtech Components	2012/2013	2011/2012
OEM		
Components	1,169	1,201
Products for end users		
Components	266	244
Machinery/Instruments	49	65
Materials	54	53
Services	4	5
Total	**1,542**	**1,568**

Addtech Energy	2012/2013	2011/2012
OEM		
Components	854	767
Products for end users		
Components	658	547
Machinery/Instruments	31	38
Materials	26	24
Services	7	16
Total	**1,576**	**1,392**

Addtech Industrial Solutions	2012/2013	2011/2012
OEM		
Components	729	803
Products for end users		
Components	331	344
Machinery/Instruments	33	36
Materials	44	51
Services	13	11
Total	**1,150**	**1,245**

Addtech Life Science	2012/2013	2011/2012
OEM		
Components	42	42
Products for end users		
Components	207	167
Machinery/Instruments	202	175
Materials	589	523
Services	101	95
Total	**1,141**	**1,002**

Note 5 Segment reporting

The division into business areas reflects Addtech's internal organisation and reporting system. Addtech reports its business areas as operating segments. The four business areas are Addtech Components, Addtech Energy, Addtech Industrial Solutions and Addtech Life Science. This market grouping reflects a natural division of markets in the Group. Intra-Group sales are based on the same prices that an independent party would pay for the product.

Addtech Components

Addtech Components markets and sells components and subsystems in mechanics, electromechanics, hydraulics and electronics as well as automation solutions to customers in manufacturing.

Addtech Energy

Addtech Energy markets and sells battery solutions, electric power distribution products and products for electrical safety, electrical installations and connection technology. Its customers are in the energy and telecom sectors and the commercial vehicle industry.

Addtech Industrial Solutions

Addtech Industrial Solutions markets and sells machinery components, polymer products, electric motors and transmissions, customised products in electromechanics and equipment and consumables for customers in manufacturing. Products under own brands are marketed and sold to industrial customers locally and globally.

Addtech Life Science

Addtech Life Science markets and sells instruments, consumable supplies and services to laboratories in healthcare and research, diagnostic equipment for the healthcare sector and process and analysis equipment for industry.

Data by operating segment	2012/2013			2011/2012		
Net sales	External	Internal	Total	External	Internal	Total
Components	1,542	0	1,542	1,567	1	1,568
Energy	1,575	1	1,576	1,392	0	1,392
Industrial Solutions	1,145	5	1,150	1,239	6	1,245
Life Science	1,141	0	1,141	1,002	0	1,002
Parent Company and Group items	–	-6	-6	0	-7	-7
Total	**5,403**	**0**	**5,403**	**5,200**	**0**	**5,200**

	2012/2013			2011/2012		
Operating profit/loss, assets and liabilities	Operating profit /loss	Assets 1)	Liabilities 1)	Operating profit /loss	Assets 1)	Liabilities 1)
Components	98	777	210	125	815	266
Energy	152	931	279	151	720	247
Industrial Solutions	93	503	177	112	534	193
Life Science	108	713	189	98	589	168
Parent Company and Group items	-14	138	1,069	-16	74	841
Operating profit/loss, assets and liabilities	**437**	**3,062**	**1,924**	**470**	**2,732**	**1,715**
Finance income and expenses	-29			-23		
Profit after financial items	**408**			**447**		

1) Does not include balances in Group accounts or financial transactions with Group companies.

Investments in non-current assets	2012/2013 Intangible	Property, plant and equipment	Total	2011/2012 Intangible	Property, plant and equipment	Total
Components	–	10	10	–	5	5
Energy	1	8	9	0	7	7
Industrial Solutions	1	6	7	1	5	6
Life Science	0	10	10	1	14	15
Parent Company and Group Items	1	1	2	4	1	5
Total	**3**	**35**	**38**	**6**	**32**	**38**

Depreciation/amortisation of non-current assets	2012/2013 Intangible	Property, plant and equipment	Total	2011/2012 Intangible	Property, plant and equipment	Total
Components	-22	-6	-28	-17	-5	-22
Energy	-19	-7	-26	-15	-6	-21
Industrial Solutions	-5	-10	-15	-6	-12	-18
Life Science	-14	-15	-29	-10	-16	-26
Parent Company and Group Items	-2	-1	-3	-5	-1	-6
Total	**-62**	**-39**	**-101**	**-53**	**-40**	**-93**

Significant profit or loss items, other than depreciation or amortisation, not matched by payments in 2012/2013	Capital gains	Change in pension liability	Other items	Total
Components	0	2	0	2
Energy	0	3	-5	-2
Industrial Solutions	0	0	-4	-4
Life Science	-1	2	0	1
Parent Company and Group Items	0	0	2	2
Total	**-1**	**7**	**-7**	**-1**

Data by country	2012/2013 Net sales, external	Assets [1]	Of which non-current assets	2011/2012 Net sales, external	Assets [1]	Of which non-current assets
Sweden	2,166	1,605	749	2,148	1,508	705
Denmark	841	326	102	742	350	115
Finland	758	355	150	779	369	163
Norway	810	549	311	681	338	156
Other countries	828	140	36	850	122	18
Parent Company, Group items and unallocated assets	–	87	10	–	45	11
Total	**5,403**	**3,062**	**1,358**	**5,200**	**2,732**	**1,168**

[1] Does not include Group account balances and financial assets. External net sales are based on the customers' location, and the carrying amounts of assets are based on where the assets are located.

Investments in non-current assets	2012/2013 Intangible	Property, plant and equipment	Total	2011/2012 Intangible	Property, plant and equipment	Total
Sweden	3	23	26	5	20	25
Denmark	0	4	4	1	4	5
Finland	0	2	2	0	3	3
Norway	–	2	2	–	3	3
Other countries	0	4	4	0	2	2
Total	**3**	**35**	**38**	**6**	**32**	**38**

Note 6 Employees and employee benefits expense

Average number of employees	2012/2013 Men	Women	Total	2011/2012 Men	Women	Total
Sweden						
Parent Company	5	5	10	3	5	8
Other companies	538	168	706	547	177	724
Denmark	179	102	281	194	103	297
Finland	161	78	239	164	77	241
Norway	159	44	203	127	39	166
Other countries	309	67	376	129	47	176
Total	**1,351**	**464**	**1,815**	**1,164**	**448**	**1,612**

Salaries and remuneration	2012/2013 Senior management	of which profit-related remune-ration	Other employees	2011/2012 Senior management	of which profit-related remune-ration	Other employees
Sweden						
Parent Company	17.6	2.6	2.6	13.0	2.5	2.9
Other companies	45.5	3.5	322.6	46.2	6.7	292.7
Denmark	20.9	1.8	154.2	18.9	1.7	155.3
Finland	19.6	1.7	93.3	18.7	2.0	91.7
Norway	20.1	3.7	116.1	13.2	1.5	89.2
Other countries	8.2	1.6	32.7	8.8	1.5	26.3
Total	**131.9**	**14.9**	**721.5**	**118.8**	**15.9**	**658.1**

Senior management is defined as Group management, Managing Directors and vice MD's in Group subsidiaries.

Salaries, remuneration and social security costs	Group 2012/2013	Group 2011/2012	Parent Company 2012/2013	Parent Company 2011/2012
Salaries and other remuneration	853.5	776.9	20.2	15.9
Contractually agreed pensions for senior management	19.7	19.1	4.2	2.5
Contractual pensions to others	68.6	58.4	0.3	1.7
Other social security costs	172.3	153.6	7.7	6.3
Total	**1,114.1**	**1,008.0**	**32.4**	**26.4**

At year-end, outstanding pension commitments to senior management totalled SEK 9.6 million (9.5) for the Group and SEK 2.3 million (2.3) for the Parent Company. Different accounting policies are applied to pension costs in the Parent Company and the Group (see Note 1 Accounting Policies).

Proportion of women	Group 31 Mar 13	Group 31 Mar 12	Parent Company 31 Mar 13	Parent Company 31 Mar 12
Board of Directors (not including alternates)	4%	3%	17%	20%
Other members of senior management	17%	17%	17%	17%

Preparation and decision-making process for remuneration to the Board of Directors, CEO and Group management

The guidelines applied in the 2012/2013 financial year for remuneration to senior management correspond to those in the proposal for the coming year included in the administration report. The principle for remuneration to the Board of Directors, Chief Executive Officer (CEO) and Group management is that remuneration should be competitive. The nomination committee proposes Board fees to the Annual General Meeting (AGM). Board fees are paid based on a resolution of the AGM. No separate fees are paid for committee work. For remuneration to the CEO, members of Group management and other members of senior management in the Group, the Board of Directors has appointed a remuneration committee consisting of the Chairman and Vice Chairman of the Board, with the CEO as the reporting member. A fixed salary, variable remuneration and conventional employment benefits are paid to the CEO, Group management and other members of senior management. In addition, pension benefits and incentive programmes apply, as described below. The remuneration committee adheres to the guidelines for remuneration to senior management approved by Addtech AB's AGM.

Personnel options for members of senior management

The Group's share-based incentive programmes enable senior management to purchase shares in the Company. The employees have paid a market premium for call options on Class B shares. The option premium in the different programmes was calculated by Nordea Bank using the Black & Scholes valuation method. The calculations presupposed that the redemption price was set at 120 percent of the volume-weighted average of the price paid during the measurement period, volatility was based on statistical source material based on historical data, the risk-free rate was based on the government bond rate, maturity and redemption period according to the terms of the programmes, and dividend according to the estimates available based on the Group's dividend policy.

The programmes include a subsidy so that the employee receives the same sum as the option premium paid in the form of cash payment, i.e. salary. This subsidy shall be paid two years after the acquisition of the call options, provided that the option holder is still employed in the Group and still owns call options at that time. The subsidy, and related social security costs, is distributed as employee benefits expense over the vesting period. Addtech has no obligation to repurchase the options when an employee terminates employment. The holder can redeem the options irrespective of future employment at the Group. The calculation of the dilution effect below is based on the number of outstanding shares on subscription to the programmes.

The call option programme referable to the 2009 share-based incentive programme has a redemption period running from 3 September 2012 until 14 June 2013. Until 31 March 2013, 175,400 options out of a total of 236,000 were redeemed to shares. The remaining 60,600 options were redeemed after the end of the financial year.

In accordance with a resolution of the August 2010 AGM, 24 members of management were offered the opportunity to acquire 236,000 call options on repurchased Class B shares. Employees subscribed for 221,700 call options in the programme. If the options are fully exercised, the number of B shares outstanding will increase by 221,700, equivalent to 1.0 percent of the number of shares outstanding and 0.7 percent of the votes. The redemption period is from 16 September 2013 to 30 May 2014 inclusive.

The call options were transferred at a price of SEK 11.00 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price of the call options is SEK 164.70, corresponding to 120 percent of the average share price during the measurement period 30 August-10 September 2010.

In accordance with a resolution of the August 2011 AGM, 25 members of management were offered the opportunity to acquire 200,000 call options on repurchased Class B shares. The programme was fully subscribed, and if all options are exercised, the number of Class B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the total number of shares outstanding and 0.6 percent of the votes. The redemption period is from 15 September 2014 to 29 May 2015 inclusive.

The call options were transferred at a price of SEK 8.00 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price of the call options is SEK 179.40, corresponding to 120 percent of the average share price during the measurement period 26 August-8 September 2011.

In accordance with a resolution of the August 2012 AGM, 25 members of management were offered the opportunity to acquire 200,000 call options on repurchased Class B shares. The programme was fully subscribed, and if all options are exercised, the number of Class B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the number of shares outstanding and 0.6 percent of the votes. The redemption period runs from 14 September 2015 until 3 June 2016.

The call options were transferred at a price of SEK 11.60 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price of the call options is SEK 214.50, corresponding to 120 percent of the average share price during the measurement period 31 August-13 September 2012.

Board of Directors

The Board fees of SEK 1,475 thousand (1,250) set by the AGM are distributed, as per the AGM's decision, among those Board Directors who are not employed by the Parent Company.

Parent Company's CEO

Johan Sjö, Parent Company CEO, received a fixed salary of SEK 4,509 thousand (3,866) and SEK 766 thousand (972) in variable pay. SEK 300 thousand (600) of the fixed salary refers to the long-term incentive programme detailed below. Taxable benefits totalling SEK 188 thousand (186) are additional. From age 65, the CEO is covered by a defined contribution pension, the size of which depends on the outcome of pension insurance agreements. During 2012/2013, a total of SEK 1,000 thousand (847) in pension premiums, determined annually by the remuneration committee, were paid for the CEO. Variable salary is not pensionable income.

When the Company recruited Johan Sjö as CEO, the Board offered him a long-term incentive programme (LTI), which entitles the CEO to receive annually during a five-year period the equivalent of 20 percent of amounts invested in Addtech shares up to SEK 3,000 thousand. As a result, Johan Sjö received SEK 300 thousand (600) during the financial year. The LTI remuneration is not pensionable income. Variable remuneration based on Group earnings may be payable in an amount up to 30 percent of fixed salary. In addition, a further premium of 20 percent may be payable of the variable remuneration received used in acquisition of shares in Addtech AB.

The period of notice is of 12 months when the Company terminates the employment contract and six months when the CEO does so. In the case of termination on the initiative of the Company, the CEO is entitled to a severance payment equivalent to one year's salary in addition to salary during the period of notice. No severance package is payable if the employee terminates the employment contract.

Other members of Group management

Other members of Group management were paid a total of SEK 9,000 thousand (8,221) in fixed salaries and SEK 1,827 thousand (2,411) in variable remuneration. This variable remuneration was expensed during the 2012/2013 financial year and was paid during 2013/2014. Taxable benefits totalling SEK 589 thousand (476) are additional. Persons in Group management are covered from age 65 by pension entitlements based on individual agreements. Existing pension schemes consist of defined contribution schemes, in which the pension amount depends on the outcome of pension insurance agreements, as well as defined benefit schemes. The cost of the defined benefit pensions and the defined contribution schemes is basically equivalent to the ITP plan (supplementary pension scheme for salaried employees). During 2012/2013, a total of SEK 3,197 thousand (2,597) in pension premiums was paid for the group 'Other members of Group management'.

Variable remuneration based on Group earnings may be payable in an amount up to 30 percent of fixed salary. In addition, a further premium of 20 percent may be payable of the variable remuneration received used in acquisition of shares in Addtech AB.

The period of notice is 12 months when the Company terminates the employment contract and six months when the employee does so. Severance pay is payable upon termination of employment equivalent to no more than one year's salary. No severance package is payable if the employee terminates the employment contract.

Remuneration and other benefits during the year	Basic salary/ Board fees	Variable remuneration	Long-term incentive programme	Other benefits	Pension costs	Total
Chairman of the Board	0.5	–	–	–	–	0.5
Other members of the Board	1.0	–	–	–	–	1.0
Chief Executive Officer	4.2	0.8	0.3	0.2	1.0	6.5
Other members of Group management (5 persons)	9.0	1.8	-	0.6	3.2	14.6
Total	**14.7**	**2.6**	**0.3**	**0.8**	**4.2**	**22.6**

There has been no remuneration for financial instruments or personnel options.

Board fees for 2012/2013, SEK ’000s

Name	Position	Fee
Anders Börjesson	Chairman of the Board	450
Tom Hedelius	Vice Chairman of the Board	350
Eva Elmstedt	Director	225
Ulf Mattsson	Director	225
Johan Sjö	Director	–
Lars Spongberg	Director	225
Totalt		**1,475**

Note 7 Remuneration to auditors

	Group		Parent Company	
	2012/2013	2011/2012	2012/2013	2011/2012
KPMG				
Audit assignment	6.7	5.8	0.7	0.7
Tax consultation	0.5	0.3	0.1	0.1
Other assignments	1.0	0.6	0.1	0.1
Total remuneration to KPMG	**8.2**	**6.7**	**0.9**	**0.9**
Other auditors				
Audit assignment	0.9	1.0	–	–
Tax consultation	0.2	0.1	–	–
Other assignments	0.2	0.1	–	–
Total remuneration to other auditors	**1.3**	**1.2**	**–**	**–**
Total remuneration to auditors	**9.5**	**7.9**	**0.9**	**0.9**

Note 8 Depreciation and amortisation

	Group		Parent Company	
Depreciation and amortisation, by function	2012/2013	2011/2012	2012/2013	2011/2012
Cost of sales	-25.3	-25.2	-	–
Selling expenses	-67.9	-56.8	-	–
Administrative expenses	-8.7	-10.8	-0.8	-0.8
Total	**-101.9**	**-92.8**	**-0.8**	**-0.8**

	Group		Parent Company	
Depreciation and amortisation, by type of asset	2012/2013	2011/2012	2012/2013	2011/2012
Intangible assets	-62.4	-52.6	-0.5	-0.5
Buildings and land	-3.0	-2.9	-	–
Leasehold improvements	-1.1	-1.0	-	–
Machinery	-10.2	-9.9	-	–
Equipment	-25.2	-26.4	-0.3	-0.3
Total	**-101.9**	**-92.8**	**-0.8**	**-0.8**

Note 9 Other operating income and expenses

Group	2012/2013	2011/2012
Other operating income		
Rental revenue	2.3	2.5
Gain on sale of operations and non-current assets	2.0	1.1
Change in value of share option	–	0.4
Exchange gains, net	0.5	0.7
Change in loans for contingent considerations	7.3	–
Other	8.6	8.1
Total	**20.7**	**12.8**
Other operating expenses		
Property costs	-4.4	-3.2
Loss on sale of operations and non-current assets	-0.1	-0.1
Change in value of share option	-0.4	–
Change in loans for contingent considerations	-1.3	-2.4
Other	-1.4	-5.5
Total	**-7.6**	**-11.2**

In the Parent Company, there is no other operating income or operating expences.

Note 10 Operating expenses

Group	2012/2013	2011/2012
Inventories, raw materials and consumables	3,231.5	3,135.8
Employee benefits expense	1,151.7	1,044.5
Depreciation and amortisation	101.9	92.8
Impairment of inventories	17.4	16.5
Impairment of doubtful accounts receivable	3.2	1.9
Other operating expenses	486.8	450.8
Total	**4,992.5**	**4,742.3**

Note 11 Finance income and costs

Group	2012/2013	2011/2012
Interest income on bank balances	2.0	3.0
Dividends	0.0	0.1
Exchange rate changes, net	–	0.0
Changes in value from revaluation of financial assets/liabilities, net	–	0.3
Other finance income	2.2	3.3
Finance income	**4.2**	**6.7**
Interest expense on financial liabilities measured at amortised cost	-11.7	-13.2
Interest expense on financial liabilities measured at fair value	-3.0	-3.3
Interest expense on pension liability	-9.6	-9.7
Exchange rate changes, net	-2.3	–
Changes in value from revaluation of financial assets/liabilities, net	-0.1	–
Other finance costs	-6.7	-4.0
Finance costs	**-33.4**	**-30.2**
Net financial items	**-29.2**	**-23.5**

Parent Company	2012/2013	2011/2012
Dividend income	19.8	16.5
Group contribution received	274.2	210.0
Group contribution paid	-60.2	–
Profit from interests in Group companies	**233.8**	**226.5**
Interest income, etc:		
Group companies	35.3	34.4
Profit from non–current financial assets	**35.3**	**34.4**
Interest income, etc:		
Group companies	1.1	2.1
Other interest income, change in value of derivatives and exchange rate differences	4.8	1.4
Interest income and similar items	**5.9**	**3.5**
Interest expense, etc:		
Group companies	-7.5	-10.8
Other interest expense, change in value of derivatives and banking fees	-18.9	-14.6
Interest expense and similar items	**-26.4**	**-25.4**
Finance income and costs	**248.6**	**239.0**

Note 12 Year-end appropriations - parent company

	2012/2013	2011/2012
Reversal of tax allocation reserve	42.5	23.8
Provision made to tax allocation reserve	-67.3	-60.7
Excess amortisation/depreciation	0.3	0.0
Total	**-24.5**	**-36.9**

Had the Parent Company reported deferred tax on year-end appropriations as per the policies applied in the consolidated financial statements, the deferred tax expense would have totalled SEK 5.4 million (9.7).

Note 13 Taxes

	Group		Parent Company	
	2012/2013	2011/2012	2012/2013	2011/2012
Current tax for the period	-122.1	-124.7	-53.2	-48.1
Adjustment from previous years	0.5	-0.9	–	-0.3
Total current tax expense	**-121.6**	**-125.6**	**-53.2**	**-48.4**
Deferred tax	37.1	5.6	-0.2	-0.1
Total recognised tax expense	**-84.5**	**-120.0**	**-53.4**	**-48.5**

Group	2012/2013	%	2011/2012	%
Profit before tax	408.2		446.9	
Weighted average tax based on national tax rates	-105.9	25.9	-115.7	25.9
Tax effects of				
Non-deductible costs/non-taxable income	-0.1	0.0	-3.2	0.7
Transaction costs, revaluation contingent considerations acquisitions	-3.0	0.7	-1.8	0.4
Standard interest on tax allocation reserves	-1.1	0.3	-0.9	0.2
Changed tax rate	25.5	-6.2	1.2	-0.3
Adjustments from previous years	0.2	0.0	0.2	0.0
Other	0.0	0.0	0.2	0.0
Recognised tax expense	**-84.4**	**20.7**	**-120.0**	**26.9**

Parent Company	2012/2013	%	2011/2012	%
Profit before tax	218.9		196.2	
Weighted average tax based on national tax rates	-57.6	26.3	-51.6	26.3
Tax effects of				
Standard interest on tax allocation reserves	-0.8	0.4	-0.8	0.4
Non-deductible costs				
Other	-0.3	0.1	-0.2	0.1
Non-taxable income				
Dividends from subsidiaries	5.2	-2.4	4.3	-2.2
Other	0.1	0.0	0.1	-0.1
Adjustments from previous years	0.0	0.0	-0.3	0.2
Recognised tax expense	**-53.4**	**24.4**	**-48.5**	**24.7**

Deferred tax assets/liabilities, net, at year-end	31 Mar 13			31 Mar 12		
Group	Assets	Liabilities	Net	Assets	Liabilities	Net
Non-current assets	1.4	-127.7	-126.3	1.0	-116.4	-115.4
Untaxed reserves	–	-86.4	-86.4	–	-97.4	-97.4
Pension provisions	11.9	-1.1	10.8	13.1	-2.1	11.0
Other	7.7	0.2	7.9	9.9	-0.4	9.5
Net recognised	-20.6	20.6	–	-23.8	23.8	–
Deferred taxes, net, at year–end	**0.4**	**-194.4**	**194.0**	**0.2**	**-192.5**	**-192.3**

Group	2012/2013 Amount at start of year	Recognised in profit or loss	Acquisitions and disposals	Recognised in other comprehensive income	Translation effects	Amount at year-end
Non-current assets	-115.4	25.1	-38.0	-0.1	2.1	-126.3
Untaxed reserves	-97.4	12.0	-1.0	–	–	-86.4
Pension provisions	11.0	0.0	–	0.0	-0.2	10.8
Other	9.5	0.1	0.1	-1.6	-0.2	7.9
Deferred taxes, net	**-192.3**	**37.2**	**-38.9**	**-1.7**	**1.7**	**-194.0**

Group	2011/2012 Amount at start of year	Recognised in profit or loss	Acquisitions and disposals	Recognised in other comprehensive income	Translation effects	Amount at year-end
Non-current assets	-95.3	13.7	-33.9	0.1	0.0	-115.4
Untaxed reserves	-89.0	-6.1	-2.3	–	–	-97.4
Pension provisions	11.4	-2.2	1.8	–	0.0	11.0
Other	9.9	0.2	-0.2	-0.4	0.0	9.5
Deferred taxes, net	**-163.0**	**5.6**	**-34.6**	**-0.3**	**0.0**	**-192.3**

	2012/2013			2011/2012		
Parent Company	Amount at start of year	Recognised in profit or loss	Amount at year-end	Amount at start of year	Recognised in profit or loss	Amount at year-end
Financial instruments	-0.2	-0.2	-0.4	-0.1	-0.1	-0.2
Deferred taxes, net	**-0.2**	**-0.2**	**-0.4**	**-0.1**	**-0.1**	**-0.2**

There are no non-capitalised tax loss carry-forwards in the Group (-).

Note 14 Intangible non-current assets

	2012/2013							
	Intangible assets acquired						Intangible assets developed in the Group	
Group	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Capitalised R&D expenses	Leases (rental) and similar rights	Software	Software	Total
Accumulated cost								
Opening balance	600.5	533.2	22.9	9.9	0.9	51.3	3.7	1,222.4
Acquisition of companies	107.6	150.3	–	–	–	0.4	–	258.3
Investments	–	–	–	–	–	2.4	–	2.4
Reclassifications	–	–	–	0.0	–	5.1	–	5.1
Translation effect for the year	-11.9	-11.2	–	–	-0.1	-0.6	–	-23.8
Closing balance	**696.2**	**672.3**	**22.9**	**9.9**	**0.8**	**58.6**	**3.7**	**1,464.4**
Accumulated amortisation								
Opening balance	–	-156.8	-0.1	-7.8	-0.1	-42.3	-3.5	-210.6
Acquisition of companies	–	–	–	–	–	-0.3	–	-0.3
Amortisation	–	-58.0	-0.1	-0.6	-0.1	-3.4	-0.2	-62.4
Reclassifications	–	–	–	–	–	-5.1	–	-5.1
Translation effect for the year	–	4.2	–	1.0	0.0	0.6	0.0	5.8
Closing balance	**–**	**-210.6**	**-0.2**	**-7.4**	**-0.2**	**-50.5**	**-3.7**	**-272.6**
Carrying amount at year-end	**696.2**	**461.7**	**22.7**	**2.5**	**0.6**	**8.1**	**0.0**	**1,191.8**
Carrying amount at start of year	**600.5**	**376.4**	**22.8**	**2.1**	**0.8**	**9.0**	**0.2**	**1,011.8**

Group	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Capitalised R&D expenses	Leases (rental) and similar rights	Software	Software	Total
	2011/2012							
	Intangible assets acquired						Intangible assets developed in the Group	
Accumulated cost								
Opening balance	463.1	406.6	21.9	8.9	0.2	46.9	3.7	951.3
Acquisition of companies	138.3	127.0	1.0	–	–	–	–	266.3
Investments	–	–	–	0.8	0.7	4.5	–	6.0
Change in additional consideration	-0.4	–	–	–	–	–	–	-0.4
Reclassifications	–	–	–	0.2	–	–	–	0.2
Translation effect for the year	-0.5	-0.4	–	–	0.0	-0.1	–	-1.0
Closing balance	**600.5**	**533.2**	**22.9**	**9.9**	**0.9**	**51.3**	**3.7**	**1,222.4**
Accumulated amortisation								
Opening balance	–	-111.7	-0.1	-6.6	0.0	-37.3	-2.8	-158.5
Amortisation	–	-45.5	0.0	-1.2	-0.1	-5.1	-0.7	-52.6
Translation effect for the year	–	0.4	–	–	0.0	0.1	–	0.5
Closing balance	**–**	**-156.8**	**-0.1**	**-7.8**	**-0.1**	**-42.3**	**-3.5**	**-210.6**
Carrying amount at year-end	**600.5**	**376.4**	**22.8**	**2.1**	**0.8**	**9.0**	**0.2**	**1,011.8**
Carrying amount at start of year	**463.1**	**294.9**	**21.8**	**2.3**	**0.2**	**9.6**	**0.9**	**792.8**

	2012/2013		2011/2012	
Parent Company	Software	Total	Software	Total
Accumulated cost				
Opening balance	2.6	2.6	2.6	2.6
Investments	0.2	0.2	–	–
Closing balance	**2.8**	**2.8**	**2.6**	**2.6**
Accumulated amortisation				
Opening balance	-1.9	-1.9	-1.4	-1.4
Amortisation	-0.4	-0.4	-0.5	-0.5
Closing balance	**-2.3**	**-2.3**	**-1.9**	**-1.9**
Carrying amount at year-end	**0.5**	**0.5**	**0.7**	**0.7**
Carrying amount at start of year	**0.7**	**0.7**	**1.2**	**1.2**

	Group	
Goodwill distributed by business area	31 Mar 13	31 Mar 12
Addtech Components	189	173
Addtech Energy	225	174
Addtech Industrial Solutions	49	50
Addtech Life Science	233	204
Total	**696**	**601**

Impairment testing of goodwill

The Group's recognised goodwill amounts to SEK 696 million (601). Having adopted IFRS, the Company no longer amortises goodwill but rather tests goodwill annually in accordance with IAS 36. The latest test took place in March 2013.

The Group has carried out over 70 acquisitions since 2001. Goodwill in each individual acquisition is not material for the Group. Goodwill is therefore allocated among cash-generating units, which usually correspond to the business units. Impairment testing takes place at business unit level, because the acquired business is also integrated with another Addtech business to such an extent that it is not possible to separate assets and cash flows attributable to the acquired company. Goodwill is not assessed at a higher level than segment level.

The recoverable amount was calculated based on value in use and applies a current estimate of cash flows for the coming five-year period. Assumptions were made concerning gross margin, overhead costs, working capital required and investments required based on previous experiences. As the norm, these parameters were set to correspond to the profit forecast for the next financial year 2013/2014. An annual growth rate of 2 percent (2) was assumed for the remainder of the five-year period. Where major changes are expected, the parameters were adjusted to better reflect such expectations. For cash flows beyond the five-year period, the growth rate was assumed to correspond to growth during the fifth year. Cash flows were discounted using a weighted cost of capital corresponding to roughly 12 percent (12) before tax. These calculations show that value in use significantly exceeds the carrying amount. Consequently, impairment testing indicated no impairment. The sensitivity of these calculations means that the value of goodwill will continue to be justified even if the discount rate increases by 1 percentage point or if the long-term growth rate decreases by 1 percentage point.

Other impairment testing

Each year, trademarks are tested for impairment applying the same policies as with goodwill. No events or changes in circumstances were identified that would motivate impairment testing for other intangible non-current assets that are amortised.

Note 15 Property, plant and equipment

	2012/2013					
Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Accumulated cost						
Opening balance	112.3	12.6	180.6	288.1	0.9	594.5
Acquisition of companies	2.5	3.1	13.0	14.9	0.1	33.6
Investments	0.1	0.3	11.0	22.0	1.4	34.8
Disposals and retirement of assets	-0.1	–	-8.3	-17.2	–	-25.6
Reclassifications	0.1	-0.2	4.4	-3.7	-0.6	0.0
Translation effect for the year	-3.3	-0.5	-6.5	-6.9	0.0	-17.2
Closing balance	**111.6**	**15.3**	**194.2**	**297.2**	**1.8**	**620.1**
Accumulated depreciation and impairment losses						
Opening balance	-50.0	-9.5	-147.0	-231.8	-0.3	-438.6
Acquisition of companies	-0.9	-0.5	-4.9	-7.3	0.0	-13.6
Depreciation	-3.0	-1.0	-10.1	-25.2	-0.1	-39.4
Disposals and retirement of assets	0.1	–	8.0	15.4	–	23.5
Reclassifications	–	–	-2.6	2.6	–	0.0
Translation effect for the year	1.5	0.4	5.8	6.1	0.0	13.8
Closing balance	**-52.3**	**-10.6**	**-150.8**	**-240.2**	**-0.4**	**-454.3**
Carrying amount at year-end	**59.3**	**4.7**	**43.4**	**57.0**	**1.4**	**165.8**
Carrying amount at start of year	**62.3**	**3.1**	**33.6**	**56.3**	**0.6**	**155.9**

Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
	2011/2012					
Accumulated cost						
Opening balance	113.1	13.1	178.4	249.5	1.2	555.3
Acquisition of companies	–	0.8	0.8	22.7	–	24.3
Investments	0.0	0.9	4.5	25.5	0.7	31.6
Disposals and retirement of assets	-0.1	-2.1	-4.0	-9.0	–	-15.2
Reclassifications	–	–	1.0	–	-1.1	-0.1
Translation effect for the year	-0.7	-0.1	-0.1	-0.6	0.1	-1.4
Closing balance	**112.3**	**12.6**	**180.6**	**288.1**	**0.9**	**594.5**
Accumulated depreciation and impairment losses						
Opening balance	-47.4	-10.5	-138.9	-196.2	-0.2	-393.2
Acquisition of companies	–	-0.3	-0.6	-16.9	–	-17.8
Depreciation	-2.9	-0.9	-9.9	-26.4	-0.1	-40.2
Disposals and retirement of assets	0.0	2.1	1.8	7.1	–	11.0
Reclassifications	–	–	–	–	–	0.0
Translation effect for the year	0.3	0.1	0.6	0.6	0.0	1.6
Closing balance	**-50.0**	**-9.5**	**-147.0**	**-231.8**	**-0.3**	**-438.6**
Carrying amount at year-end	**62.3**	**3.1**	**33.6**	**56.3**	**0.6**	**155.9**
Carrying amount at start of year	**65.7**	**2.6**	**39.5**	**53.3**	**1.0**	**162.1**

	Parent Company	
Equipment	2012/2013	2011/2012
Accumulated cost		
Opening balance	2.3	2.5
Investments	–	0.0
Disposals and retirement of assets	-0.4	-0.2
Closing balance	**1.9**	**2.3**
Accumulated depreciation according to plan		
Opening balance	-1.7	-1.7
Depreciation	-0.3	-0.3
Disposals and retirement of assets	0.4	0.2
Closing balance	**-1.6**	**-1.8**
Carrying amount at year-end	**0.3**	**0.5**
Carrying amount at start of year	**0.5**	**0.8**

Note 16 Leasing

Operating leases	Group		Parent Company	
Addtech as leasee	2012/2013	2011/2012	2012/2013	2011/2012
Lease payments				
Lease payments made during the financial year	103.9	102.8	3.1	2.7
of which variable payments	0.9	0.8	–	–
Future minimum lease payments under non-cancellable contracts fall due as follows:				
Within one year	87.3	90.1	–	–
Later than one year and within five years	135.6	159.7	3.9	4.6
Five years or later	3.9	6.5	–	–
Total	**226.8**	**256.3**	**3.9**	**4.6**

Significant operating leases primarily constitute rental contracts for premises in which the Group conducts business.

Addtech as lessor

Addtech received a total of SEK 1.9 million (1.9) in lease revenue during the financial year. SEK 2.3 million (2.1) remains to be received within one year, and thereafter a total of SEK 2.4 million (2.4) is receivable within five years. Most operating leases for which Group companies are lessors concern the rental of technical equipment to customers.

Finance leases

At present there are no significant finance leases in the Group.

Note 17 Non-current financial assets

Group	2012/2013 Financial assets [1]	Non-current receivables	Total	2011/2012 Financial assets	Non-current receivables	Total
Accumulated cost						
Opening balance	10.6	3.6	14.2	10.7	2.0	12.7
Acquisition of companies	0.1	0.2	0.3	–	1.9	1.9
Deductions of assets	–	0.0	0.0	–	-0.4	-0.4
Additions of assets	0.2	0.3	0.5	0.1	0.1	0.2
Translation effect for the year	-0.5	-0.2	-0.7	-0.2	0.0	-0.2
Closing balance	**10.4**	**3.9**	**14.3**	**10.6**	**3.6**	**14.2**
Accumulated impairment losses						
Opening balance	0.0	-0.1	-0.1	0.0	-0.1	-0.1
Closing balance	**0.0**	**-0.1**	**-0.1**	**0.0**	**-0.1**	**-0.1**
Carrying amount at year-end	**10.4**	**3.8**	**14.2**	**10.6**	**3.5**	**14.1**

[1] Financial assets primarily consist of shares in housing corporations.

Receivables from Group companies	Parent Company 2012/2013	2011/2012
Opening balance	1,000.5	673.9
Increase during the year	507.5	350.3
Decrease during the year	-333.3	-23.7
Carrying amount at year-end	**1,174.7**	**1,000.5**

Specification of interests in Group companies	Country	Number of shares	Quotient value	Holding %	Carrying amount 31 Mar 13	31 Mar 12
	Parent Company					
Addtech Equipment AB, 556199-7866, Järfälla	Sweden	–	–	–	–	205.0
Addtech Nordic AB, 556236-3076, Stockholm	Sweden	1,750.0	100.0	100.0	1,003.7	798.7
Betech Seals A/S, 10611342, Herlev	Denmark	20,000.0	100.0	100.0	91.6	91.6
Metric Industrial OY, 0200580-9, Espoo	Finland	31,000.0	16.8	100.0	27.5	27.5
Metric Industrial AB, 556093-6998, Sollentuna	Sweden	10,000.0	100.0	100.0	17.1	17.1
Metric Industrial AS, 987209976, Trollåsen	Norway	8,500.0	100.0	100.0	10.9	10.9
Total					**1,150.8**	**1,150.8**

A complete statutory specification is included as an annex to the annual accounts submitted to the Swedish Companies Registration Office. The specification can be obtained from Addtech AB. During the year, Addtech Equipment AB was merged into Addtech Nordic AB, which increased the value of the shares in Addtech Nordic AB by SEK 205.0 million.

Interests in Group companies	Parent Company 2012/2013	2011/2012
Accumulated cost		
Opening balance	1,265.8	1,296.1
Intra-Group restructuring (disposal of subsidiaries)	–	-30.3
Closing balance	**1,265.8**	**1,265.8**
Accumulated impairment losses		
Opening balance	-115.0	-115.0
Closing balance	**-115.0**	**-115.0**
Carrying amount at year-end	**1,150.8**	**1,150.8**
Carrying amount at start of year	**1,150.8**	**1,181.1**

Note 18 Inventories

Group	31 Mar 13	31 Mar 12
Raw materials and consumables	58.1	48.6
Work in progress	40.1	15.6
Finished goods	577.0	586.3
Total	**675.2**	**650.5**

The cost of sales for the Group includes impairment losses of SEK 17.4 million (16.5) on inventories. No significant reversals of prior impairment losses were made in 2012/2013 or 2011/2012.

Note 19 Prepaid expenses and accrued income

	Group		Parent Company	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Rent	14.8	13.3	0.7	0.6
Insurance premiums	6.4	5.8	0.1	0.1
Pension costs	2.6	2.8	0.5	0.4
Lease payments	2.8	2.8	0.1	0.0
Other prepaid expenses	36.4	22.0	3.2	2.4
Other accrued income	3.9	2.2	–	0.1
Total	**66.9**	**48.9**	**4.6**	**3.6**

Note 20 Shareholders' equity

Group

Other contributed capital

Refers to equity contributed by shareholders.

	Group	
Reserves [1]	2012/2013	2011/2012
Foreign currency translation reserve		
Opening translation reserve	-19.0	-18.3
Translation effect for the year	-48.2	-0.7
Closing translation reserve	**-67.2**	**-19.0**
Hedging reserve [2]		
Opening hedging reserve	-0.5	-1.2
Revaluations recognised via other comprehensive income	0.3	1.5
Recognised in profit or loss upon disposal (other operating income/expenses)	-1.2	-0.6
Taxes attributable to the year’s revaluations	-0.1	-0.4
Taxes attributable to disposals	0.3	0.2
Closing hedging reserve	**-1.2**	**-0.5**
Total reserves	**-68.4**	**-19.5**

[1] Refers to reserves attributable to equity holders of the Parent Company.

[2] Relates to cash flow hedges, consisting of currency clauses in customer contacts

Foreign currency translation reserve

The translation reserve includes all exchange differences that arise in translating financial reports of foreign operations prepared in a currency other than the Group's presentation currency for financial reports. The Parent Company and Group present their financial reports in Swedish kronor (SEK).

Hedging reserve

The hedging reserve includes the effective portion of the accumulated net change in fair value for a cash-flow hedging instrument attributable to hedge transactions that have not yet occurred.

Retained earnings, including profit for the year

Retained earnings including profit for the year include earnings in the Parent Company and its subsidiaries.

Prior provisions to the legal reserve are included in this equity item.

Repurchased shares

Repurchased shares includes the acquisition cost of own shares held in treasury by the Parent Company (known as treasury shares). At the end of the reporting period, the Group's holding of treasury shares was 811,400 (986,800).

Dividend

After the reporting period, the Board of Directors proposed a dividend of SEK 8.00 per share. The dividend is subject to approval by the Annual General Meeting on 28 August 2013.

Parent Company

Restricted reserves

Restricted reserves are funds that cannot be paid out as dividends.

Statutory reserve

The purpose of the statutory reserve is to save a portion of net profit that will not be used to cover a loss carried forward.

Retained earnings

Retained earnings comprises the previous year's unrestricted equity, less any provision to the statutory reserve and less any dividend paid. Together with profit for the year and any fair value reserve, retained earnings constitute the sum of unrestricted equity, that is, the amount available to be paid as dividends to shareholders.

Number of shares

The number of shares at 31 March 2013 consisted of 1,086,380 Class A shares, entitling the holders to 10 votes per share, and 21,646,452 Class B shares, entitling the holders to one vote per share. The quotient value of the share is SEK 2.25. The Company has repurchased 811,400 Class B shares, in the framework of the Company's ongoing repurchase programme. After subtracting repurchased shares, the number of Class B shares is 20,835,052 net.

Number of shares outstanding	Class A shares	Class B shares	All share classes
At start of year	1,090,848	20,655,184	21,746,032
Redemption of personnel options	–	175,400	175,400
Conversion of Class A shares to Class B shares	-4,468	4,468	–
At year-end	**1,086,380**	**20,835,052**	**21,921,432**

Note 21 Untaxed reserves

Parent Company	31 Mar 13	31 Mar 12
Tax allocation reserve, allocation for tax assessment 2008	–	42.5
Tax allocation reserve, allocation for tax assessment 2009	57.9	57.9
Tax allocation reserve, allocation for tax assessment 2010	56.5	56.5
Tax allocation reserve, allocation for tax assessment 2011	35.7	35.7
Tax allocation reserve, allocation for tax assessment 2012	48.7	48.7
Tax allocation reserve, allocation for tax assessment 2013	60.7	60.7
Tax allocation reserve, allocation for tax assessment 2014	67.3	–
Accumulated excess depreciation/amortisation	0.2	0.5
Closing balance	**327.0**	**302.5**

SEK 71.9 million of the Parent Company’s total untaxed reserves of SEK 327 million represent deferred tax included in the deferred tax line item in the consolidated balance sheet.

Note 22 Provisions for pensions and similar obligations

Addtech has defined benefit pension plans in Sweden and Norway. In these plans, a pension is determined mainly by the salary received at the time of retirement. The plans cover many employees, but some defined contribution plans also apply. Subsidiaries in other countries in the Group mainly have defined contribution pension plans.

The Parent Company's data on pensions are reported in accordance with the Swedish Act on Safeguarding Pension Obligations.

Defined benefit plans

These pension plans primarily comprise retirement pensions. Each employer generally has an obligation to pay a lifelong pension. Vesting is based on the number of years of employment. The employee must subscribe to the plan for a certain number of years to be fully entitled to retirement benefits. Each year increases the employee's entitlement to retirement benefits, which is recognised as pension earned during the period and as an increase in pension obligations. Some funded pension plans apply in Norway and Sweden. These pension obligations are secured by plan assets. Addtech applies the 'corridor' method. Corridor rules stipulate that part of the actuarial gains and losses be recognised in profit or loss and the balance sheet in the next period if they exceed the higher of:
-10 percent of the present value of the pension obligation, and
-10 percent of the fair value of plan assets.

At the end of the year the actuarial losses equalled about 9 percent (13) of the present value of the pension obligations.

The revised IAS 19, Employee benefits, is applicable as of 1 April 2013. The change involves the disappearance of the alternative of deferring actuarial gains and losses according to the corridor method. The standard also contains new rules regarding the recognition of special employer's contribution. As of 1 April 2013, Addtech's pension liabilities, which are recognised in the balance sheet, will thus increase by around SEK 39 million including special employer's contribution of around SEK 13 million.

Obligations for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecta. According to statement UFR 6 of the Swedish Financial Reporting Board, this is a defined benefit plan covering multiple employers. For the 2012/2013 financial year, the Company did not have access to information enabling it to report this plan as a defined benefit plan. Thus the pension plan according to ITP and secured by insurance in Alecta is recognised as a defined contribution plan. The year's fees for pension insurance with Alecta totalled SEK 16.5 million (13.6).

Defined contributions

These plans are mainly retirement pension plans, disability pensions and family pensions. Premiums are paid on an ongoing basis during the year by each Group company to separate legal entities, such as insurance companies. The size of the premium is based on the salary. The pension cost for the period is included in profit or loss.

	Group		Parent Company	
Pension liability as per balance sheet	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Pension liability PRI	179.9	175.3	17.1	17.6
Other pension obligations	21.3	19.8	–	–
Total	**201.2**	**195.1**	**17.1**	**17.6**

	Group		Parent Company	
Reconciliation of net amount for pensions in the balance sheet	2012/2013	2011/2012	2012/2013	2011/2012
Opening balance	195.1	186.2	17.6	16.6
Change in accounting for pensions	18.0	14.6	0.7	2.1
Payment of pension benefits	-6.9	-6.3	-1.2	-1.1
Funds contributed by employer	-6.0	-5.4	–	–
Acquisitions of companies	–	6.1	–	–
Translation effects	-0.7	0.3	–	–
Other	1.7	-0.4	–	–
Net amount in balance sheet (obligation +, asset -)	**201.2**	**195.1**	**17.1**	**17.6**

Return on plan assets	Group 2012/2013	Group 2011/2012
Actual return on plan assets	0.8	1.7
Expected return on plan assets	2.0	2.3
Actuarial gains/losses on plan assets during the period	**-1.2**	**-0.6**

Obligations for employee benefits, defined benefit pension plans

Obligations for defined benefits and the value of plan assets	Group 31 Mar 13	Group 31 Mar 12	Parent Company 31 Mar 13	Parent Company 31 Mar 12
Wholly or partly funded obligations:				
Present value of defined benefit obligations	70.3	78.3	–	–
Fair value of plan assets	-51.5	-49.5	–	–
Wholly or partly funded obligations, net	**18.8**	**28.8**	**–**	**–**
Present value of unfunded defined benefit obligations	206.9	202.8	17.1	17.6
Net obligations before adjustments	**225.7**	**231.6**	**17.1**	**17.6**
Adjustments:				
Accumulated unrecognised actuarial gains (+) and losses (–)	-24.5	-36.5	–	–
Net amount in the balance sheet (obligation +, asset –)	**201.2**	**195.1**	**17.1**	**17.6**
The net amount is recognised in the following items in the balance sheet:				
Provisions for pensions and similar obligations	201.2	195.1	17.1	17.6
Net amount in the balance sheet (obligation +, asset –)	**201.2**	**195.1**	**17.1**	**17.6**
The net amount is divided among plans in the following countries:				
Sweden	186.3	182.7	17.1	17.6
Norway	14.9	12.4	–	–
Net amount in the balance sheet (obligation +, asset –)	**201.2**	**195.1**	**17.1**	**17.6**

Changes in the obligation for defined benefit plans recognised in the balance sheet	Group 2012/2013	Group 2011/2012
Opening balance	281.1	242.9
Pensions earned during the period	9.2	7.1
Interest on obligations	9.6	9.7
Benefits paid	-7.7	-7.7
Actuarial gain or loss	-12.1	13.7
Acquisitions of companies	–	13.4
Translation effects	-2.9	2.0
Other	0.0	0.0
Present value of pension obligations	**277.2**	**281.1**

Changes in plan assets	Group 2012/2013	Group 2011/2012
Opening balance	49.5	34.2
Funds contributed by employer	6.0	5.4
Benefits paid	-1.0	-1.6
Expected return on plan assets	2.0	2.3
Acquisitions of companies	–	7.0
Actuarial gain or loss	-1.2	-0.6
Translation effects	-2.0	1.3
Other	-1.8	1.5
Fair value of plan assets	**51.5**	**49.5**

The year's change in unrecognised actuarial gains (+) and losses (–) with regard to obligations	Group 2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Changes in actuarial assumptions	3.8	-3.8	8.1	6.1	-21.9
Experience-based changes	8.2	-9.9	5.2	4.2	-3.2
Total	**12.0**	**-13.7**	**13.3**	**10.3**	**-25.1**

Pension costs	Group 2012/2013	Group 2011/2012	Parent Company 2012/2013	Parent Company 2011/2012
Defined-benefit pension plans				
Cost for pensions earned during the year	9.2	7.1	–	–
Interest expense	9.6	9.7	0.7	0.8
Expected return on plan assets	-2.0	-2.3	–	–
Recognised actuarial gains (–) and losses (+)	1.2	0.1	–	–
Total cost of defined benefit plans	**18.0**	**14.6**	**0.7**	**0.8**
Total cost of defined contribution plans	78.0	70.3	4.6	2.9
Social security costs on pension costs	13.0	12.2	1.2	0.8
Total cost of benefits after termination of employment	**109.0**	**97.1**	**6.5**	**4.5**

Allocation of pension costs in the income statement	Group 2012/2013	Group 2011/2012
Cost of sales	14.6	14.8
Selling and administrative expenses	86.8	74.9
Net financial items	7.6	7.4
Total pension costs	**109.0**	**97.1**

Actuarial assumptions	2012/2013 Sweden	2012/2013 Norway	2011/2012 Sweden	2011/2012 Norway
The following material actuarial assumptions were applied in calculating obligations:				
Discount rate, 1 April, %	3.70	2.60	3.80	4.00
Discount rate, 31 March, %	3.60	3.85	3.70	2.60
Expected return on plan assets, %	3.60	3.85	3.70	4.10
Future salary increases, %	2,00-3,50	3.50	2,00 - 3,50	3.50
Future increases in pensions (change in income base amount), %	3.00	–	3.00	–
Employee turnover, %	10.00	2,00 - 5,00	10.00	2,00 - 5,00
Expected ‘G regulation’, %	–	3.25	–	3.25
Mortality table	FFFS 2007:31	K2005	FFFS 2007:31	K2005

The discount rate used is equivalent to the interest rate on high-quality corporate bonds or government bonds with a maturity equivalent to the average maturity of the obligation and the currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis and for Norwegian pension liabilities, the interest rate for Norwegian corporate bonds is used. In the preceding year, the interest rate on government bonds was used as a basis for Norwegian pension liabilities. Future increases in pensions are based on inflation assumptions. Remaining period of employment (life expectancy) is based on statistical tables prepared by Finansinspektionen (Sweden's Financial Supervisory Authority) and the Insurance Society, in Sweden FFFS 2007:31 and in Norway K2005. Expected G regulation is used in the calculations in Norway and corresponds to Sweden's base amount.

Note 23 Provisions

Group 2012/2013	Premises	Personnel	Warranties	Other	Total
Carrying amount at start of period	2.0	0.0	3.8	7.7	13.5
Acquisitions of companies	–	–	–	0.0	0.0
Provisions made during the period	–	–	4.9	2.5	7.4
Amounts utilised during the period	-1.8	–	-1.3	-6.6	-9.7
Unutilised amounts reversed	–	–	-0.1	–	-0.1
Translation effects	0.0	–	0.0	0.0	0.0
Other	–	–	–	-2.0	-2.0
Carrying amount at end of period	**0.2**	**0.0**	**7.3**	**1.6**	**9.1**

Premises

The provision for premises refers to premises that the Group has vacated and cannot sublet or use during the remainder of the lease.

Personnel

The provision refers to costs of personnel, including estimated remuneration upon termination of employment in connection with changes in operations. A provision is made when there is an approved restructuring plan and the restructuring has been announced.

Warranties

Recognised provisions for warranties associated with products and services rest on calculations performed based on historical data or, in specific cases, on an individual opinion.

Other

Other includes provisions not classified under premises, personnel or warranties, such as equipment that cannot be used due to changes in operations. All provisions are classified as short-term and are expected to lead to an outflow of resources within 12 months of the end of the reporting period.

Note 24 Non-current interest-bearing liabilities

	Group	
	31 Mar 13	31 Mar 12
Liabilities to credit institutions:		
Maturing within 2 years	0.3	0.1
Maturing within 3 years	0.1	0.1
Maturing within 4 years	0.1	0.2
Maturing within 5 years	–	–
Maturing in five years or later	–	–
Total non-current liabilities to credit institutions	**0.5**	**0.4**
Other interest-bearing liabilities:		
Maturing within 2 years	10.0	26.5
Maturing within 3 years	–	0.2
Maturing within 4 years	–	–
Maturing within 5 years	–	–
Maturing in five years or later	–	–
Total other non-current interest-bearing liabilities	**10.0**	**26.7**
Total	**10.5**	**27.1**

There were no non-current interest-bearing liabilities in the Parent Company at 31 March 2013 (-). Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 5.0 percent.

The Addtech Group’s non-current liabilities to credit institutions are divided among currencies as follows:

	31 Mar 13		31 Mar 12	
Currency	Local currency	SEKm	Local currency	SEKm
EUR	0.0	0.3	0.0	0.4
PLN	0.1	0.2	–	–
Total		**0.5**		**0.4**

	Parent Company	
	31 Mar 13	31 Mar 12
Liabilities to Group companies	353.9	428.3
Total	**353.9**	**428.3**

The Parent Company's liabilities to Group companies have no fixed maturity dates.

Note 25 Current interest-bearing liabilities

	Group		Parent Company	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Bank overdraft facility				
Approved credit limit	832.2	655.0	800.0	650.0
Unutilised portion	-614.9	-367.6	-596.4	-365.9
Credit amount utilised	**217.3**	**287.4**	**203.6**	**284.1**
Other liabilities to credit institutions	24.8	14.3	–	–
Other interest-bearing liabilities	51.1	59.9	–	–
Total	**293.2**	**361.6**	**203.6**	**284.1**

Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 5.0 percent.

The Addtech Group's current liabilities to credit institutions are divided among currencies as follows:

	31 Mar 13		31 Mar 12	
Currency	Local currency	SEKm	Local currency	SEKm
SEK	1.9	1.9	–	–
EUR	0.0	0.2	0.0	0.2
NOK	0.6	0.7	1.3	1.5
DKK	0.2	0.2	–	–
PLN	3.8	7.7	–	–
CNY	13.4	14.1	12.0	12.6
Total		**24.8**		**14.3**

The Group's financing is primarily managed by the Parent Company Addtech AB.
The Parent Company's bank overdraft facility carried 1.4 percent interest per 31 March 2013.
Loans in CNY carry a variable interest rate, which was 7.2 percent on 31 March 2013.

Note 26 Accrued expenses and deferred income

	Group		Parent Company	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Rental revenue	0.4	0.7	–	–
Other deferred income	2.6	2.5	–	–
Salaries and holiday pay	151.9	144.1	5.8	4.9
Social security costs and pensions	70.7	71.6	4.6	3.9
Other accrued expenses [1)]	31.4	34.3	2.4	2.3
Total	**257.0**	**253.2**	**12.8**	**11.1**

[1)] Other accrued expenses mainly consist of overhead accruals.

Note 27 Pledged assets and contingent liabilities

	Group		Parent Company	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Pledged assets for liabilities to credit institutions				
Real estate and site leasehold mortgages	16.8	14.6	–	–
Floating charges	62.1	27.3	–	–
Other pledged assets	20.7	29.1	–	–
Total	**99.6**	**71.0**	**–**	**–**
Contingent liabilities				
Guarantees and other contingent liabilities	12.2	13.3	0.3	0.4
Guarantees for subsidiaries [1)]	–	–	143.9	146.4
Total	**12.2**	**13.3**	**144.2**	**146.8**

[1)] Relates to PRI liabilities.

Note 28 Cash flow statement

	Group		Parent Company	
Adjustment for items not included in cash flow	2012/2013	2011/2012	2012/2013	2011/2012
Depreciation/amortisation	101.9	92.8	0.8	0.8
Gain/loss on sale of operations and non-current assets	-0.6	-1.0	–	–
Change in pension liability	6.8	2.3	-0.5	1.0
Group contributions/dividends not paid	–	–	-214.0	-210.0
Change in other provisions and accrued items	4.0	2.8	–	–
Other	-11.4	5.1	-1.1	–
Total	**100.7**	**102.0**	**-214.8**	**-208.2**

For the Group, interest received during the year totalled SEK 3.9 million (5.4), and interest paid was SEK 11.7 million (13.2). For the Parent Company, interest received during the year was SEK 36.4 million (37.0), and interest paid was SEK 16.9 million (21.5).

The following adjustments were made as a result of the value of assets and liabilities in companies acquired during the year, together with adjustments such as contingent considerations paid for acquisitions made in previous years:

	2012/2013	2011/2012
Non-current assets	289.2	273.5
Inventories	65.9	70.6
Receivables	136.7	65.7
Cash and cash equivalents	44.0	33.8
Total	**535.8**	**443.6**
Interest-bearing liabilities and provisions	-39.1	-47.4
Non-interest-bearing liabilities and provisions	-107.1	-107.0
Total	**-146.2**	**-154.4**
Consideration paid [1)]	-355.5	-293.8
Cash and cash equivalents in acquired companies	44.3	33.9
Effect on the Group's cash and cash equivalents	**-311.2**	**-259.9**

[1)] The consideration paid includes a contingent consideration charged to the income statement in the amount of SEK -6.0 million and the purchase of non-controlling interests of SEK -2.9 million.

The following adjustments were made as a result of the value of assets and liabilities in companies disposed of during the year:

	2012/2013	2011/2012
Non-current assets	–	–
Inventories	–	-0.1
Receivables	–	-0.8
Cash and cash equivalents	–	-1.2
Total	**–**	**-2.1**
Non-controlling interests	–	0.7
Capital gain on sold companies	–	–
Non-interest-bearing liabilities and provisions	–	0.7
Total	**–**	**1.4**
Consideration received	–	0.7
Cash and cash equivalents in companies disposed of	–	-1.2
Effect on the Group's cash and cash equivalents	**–**	**-0.5**

In the previous financial year, Electra-Box Pharma AB, a subsidiary of Electra-Box Diagnostica AB, which is included in the Addtech Life Science business area, was disposed of.

Year's acquisitions of operations				
Company	Country	Acquisition date	Ownership, %	Acquisition price
Staubo Elektro Maskin AS	Norway	2012-07-01	100	65.8
ASI Automatikk AS	Norway	2012-07-01	100	52.5
CEO Mekanik (assets and liabilities)	Sweden	2012-07-01	–	5.4
Leica Nilomark Oy	Finland	2012-10-01	100	10.6
Active Care Sverup AB	Sweden	2012-10-08	100	13.5
Quality Documentation Scandinavia AB [1]	Sweden	2012-11-01	100	3.8
Necks Electric Holding AB	Sweden	2012-11-01	100	75.0
Vallin Baltic AS	Estonia	2012-11-30	100	17.2
Norsk Analyse AS	Norway	2013-01-07	100	97.0
Precima Production (assets and liabilities)	Sweden	2013-02-01	–	4.7

1) After the acquisition date, the company changed names to Quality Documentation Miopics AB.

All businesses acquired during the year were consolidated in the accounts using the acquisition method.

Cash and cash equivalents in the cash flow statement consist of cash and bank balances. The same definition applied to determine cash and cash equivalents in the balance sheet was applied in the cash flow statement.

Note 29 Acquisitions of companies

Eight companies were acquired during the year (see Note 28). The acquisitions had combined annual sales of about SEK 590 million. Assets and liabilities included in the acquisitions were as follows:

	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	0	156	156
Other non-current assets	23	–	23
Inventories	66	–	66
Other current assets	180	–	180
Deferred tax liability/tax asset	-1	-39	-40
Other liabilities	-147	–	-147
Acquired net assets	**121**	**117**	**238**
Goodwill			111
Non-controlling interests			-3
Consideration [1]			**346**
Less: cash and cash equivalents in acquired businesses			-44
Less: consideration not yet paid			-23
Effect on the Group's cash and cash equivalents			**279**

1) The consideration is stated excluding acquisition expenses.

The combined consideration for the acquisitions was SEK 346 million, of which SEK 266 million, according to preliminary acquisition analyses, was allocated to goodwill and other intangible assets. Several of the acquisitions took place recently, which is why the acquisitions analyses are preliminary. In addition, the remaining participations in three existing companies were acquired: 20 percent in i Rollco Norge AS, 15 percent in Rollco Oy and 10 percent in Svensk Miljö- och Processanalys, to a total of SEK 3 million.The combined effect of the acquisitions on the Addtech Group's net sales was SEK 303 million, on operating profit SEK 13 million and on profit after tax for the period SEK 7 million.

Had the acquisitions been completed on 1 April 2012, their impact would have been an estimated SEK 630 million on net sales, about SEK 45 million on operating profit and some SEK 25 million on profit after tax for the period. The transaction costs for acquisitions with a takeover date during the financial year amount to SEK 3 million and are recognised in the selling expenses item. Of the consideration not yet paid, estimated contingent consideration amounts to SEK 21 million, which constitutes about 84 percent of the maximum outcome. The outcome depends on the results achieved in the companies and has a set maximum level.

During the period, SEK 7 million was recognised in other operating income because calculated contingent considerations regarding earlier acquisitions differed from the actual outcome. Revaluation of liabilities for contingent, not yet paid considerations led to an expense of SEK 1 million in the financial year, recognised in other operating expenses. No material changes in acquisition analyses were made in the financial year with regard to acquisitions carried out in the year or in previous years.

The values allocated to intangible non-current assets, such as supplier relationships, customer relationships, technology and trademarks, were assessed at the discounted value of future cash flows. The amortisation period is determined by estimating the annual decrease in sales attributable to each asset. Supplier relationships are generally amortised over a period of 5-33 years; customer relationships and technology are amortised over 5-15 years. Trademarks are not amortised but are tested annually (for impairment) as per IAS 36. Annual calculated amortisation regarding intangible non-current assets for the year's acquisitions amounts to about SEK 15 million.

The goodwill resulting from the acquisitions is attributable to expectations that the Group's position in the market in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired.

Note 30 Earnings per share (eps) before and after dilution

	2012/2013	2011/2012
Basic EPS (SEK)	14.60	14.65
Diluted EPS (SEK)	14.60	14.60

See Note 1 for the method of calculation.

The numerators and denominators used to calculate the above EPS are derived as stated below.

Earnings per share, basic

The calculation of earnings per share for 2012/2013 is based on profit for the year attributable to Parent Company shareholders, totalling SEK 318 million (322) , and a weighted average number of shares outstanding during 2012/2013 of 21,798 thousand (21,944). The two components were calculated in the following manner:

	2012/2013	2011/2012
Profit for the year attributable to the equity holders of the Parent Company, before dilution (SEKm)	318	322

Weighted average number of shares outstanding, before dilution

In thousands of shares	2012/2013	2011/2012
Total number of shares 1 April	21,746	22,246
Effect of treasury shares held	52	-302
Weighted average number of shares during the year, before dilution	**21,798**	**21,944**

Earnings per share, diluted

The calculation of diluted EPS for 2012/2013 is based on profit attributable to Parent Company shareholders, totalling SEK 318 million (322), and a weighted average number of shares outstanding during 2012/2013 of 21,844 thousand (22,000). The two components were calculated in the following manner:

	2012/2013	2011/2012
Profit for the year attributable to the equity holders of the Parent Company, after dilution (SEKm)	318	322

Weighted average number of shares outstanding, after dilution

In thousands of shares	2012/2013	2011/2012
Weighted average number of shares during the year, before dilution	21,798	21,944
Effect of share options issued	46	56
Weighted average number of shares during the year, after dilution	**21,844**	**22,000**

Not 31 Additional disclosures

Addtech AB, corporate ID number 556302-9726, is the Parent Company of the Group. The Company's registered office is in Stockholm, Stockholm County, and according to Swedish law Addtech AB is a limited liability company.

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Note 32 Related party disclosures

For the Addtech Group, related parties mainly comprise members of senior management. Information about personnel costs is provided in Note 6 Employees and employee benefits expense.

Note 33 Events after the reporting period

On 2 April, 80 percent of the shares in the Rutab group were acquired, forming part of the Energy business area. Rutab is a supplier of electrotechnical materials and components for automation technology, focusing on cable glands, conduits, cable guards and machinery cable. Rutab has around 40 employees and sales of about SEK 150 million.

The combined consideration and allocations to goodwill and other intangible assets for the acquisition completed after the end of the financial year will be presented in the next interim report.

No other events of significance to the Group occurred after the end of the financial year.

Proposed Allocation of Earnings

Dividend

The Board of Directors proposes a dividend of SEK 8.00 (8.00) per share. The total dividend amounts to SEK 175 million (174). Addtech's dividend policy is to pay as a dividend more than 50 percent of average Group profit after tax over a business cycle. The proposed dividend represents a payout ratio of 55 percent (55).

Proposed allocation of earnings

The following amounts are available for distribution by the Annual General Meeting of Addtech AB:	
Retained earnings	742 SEKm
Profit for the year	165 SEKm
	907 SEKm

The Board of Directors and the CEO propose that the funds available for distribution be allocated as follows:	
A dividend paid to shareholders of SEK 8.00 per share [1)]	175 SEKm
To be carried forward	732 SEKm
	907 SEKm

[1)] Based on the number of shares outstanding at 31 May 2013. The total dividend payout may change if the number of treasury shares repurchased changes prior to the proposed dividend record date of 2 September 2013.

The Board of Directors deems the proposed dividend justifiable in the context of the demands on Group equity made by the Group's operations, size and risks, and in the context of the Group's need for a strong balance sheet, liquidity and overall financial position.

At the end of the reporting period, equity in the Parent Company included SEK 1 million (0) resulting from financial assets and liabilities being measured at fair value in accordance with the Swedish Annual Accounts Act (Chapter 4, Section 14a).

Assurance of the Board of Directors

The Board of Directors and the Chief Executive Officer deem the consolidated financial statements and annual accounts to be prepared in accordance with IFRS, as adopted by the EU, and with generally accepted accounting principles, and that they provide a true and fair overview of the financial position and results of operations of the Group and the Parent Company. The administration report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operating activities, financial position and results of operations and describes significant risks and uncertainties to which the Parent Company and the companies that comprise the Group are exposed. The other aspects of the results of operations and financial position of the Group and the Parent Company are shown in the income statements, balance sheets, cash flow statements and notes to the financial statements.

Stockholm, 19 June 2013

Anders Börjesson
Chairman of the Board

Tom Hedelius
Vice Chairman of the Board

Eva Elmstedt
Board member

Ulf Mattsson
Board member

Lars Spongberg
Styrelseledamot

Johan Sjö
Board member and CEO

We submitted our auditor's report on 20 June 2013

KPMG AB
Joakim Thilstedt
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of Addtech AB (publ.), corp. id. 556302-9726

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Addtech AB (publ.) for the financial year 2012-04-01 – 2013-03-31. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 17-86.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 March 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Addtech AB (publ.) for the financial year 2012-04-01 – 2013-03-31.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm 20 June 2013
KPMG AB

Joakim Thilstedt
Authorised Public Accountant