Förvaltningsberättelse

The Board of Directors and the managing director of Hemtex AB (publ), Corporate identity number 556132 – 7056, hereby submit the annual accounts and consolidated accounts for the financial year January 1 – December 31, 2014. Comparative figures refer to the financial year January 1 – December 31, 2013 unless otherwise stated.

General information about the business

Hemtex is a leading home textiles retail chain with a total of 157 stores as of December 31, 2014, of which 133 in Sweden, 19 in Finland and five in Estonia. Of the chain's stores is 142 owned by the group and 15 by franchises.

Hemtex's stores sell home furnishing products with an emphasis on home textiles. The range is divided into seven product areas: sleeping, swimming, eating socializing, lighting, rugs and storage. These are complemented by non-textile home accessories.

Hemtex AB is the parent company of the group. The parent company operates the group's stores in Sweden, responsible for concept development, marketing, business management and supply of goods to all stores within the chain.

In addition to the parent company Hemtex AB, the Hemtex group includes the wholly owned subsidiaries Hemtex Oy (Finland) and Hemtex International AB. Hemtex conducts operations in Estonia through a branch. Hemtex AB is since June 2009 a subsidiary of ICA Gruppen AB (556048 – 2837).

Hemtexaktien and ownership

On 31 December 2014, Hemtex AB's share capital amounted to SEK 239.6 m, divided into 95 835 506 shares, each with a quota value of SEK 2.50. Each share entitles the holder to one vote at the AGM and all shares have equal rights to share in the company's assets and profits. There is a class of shares and there are no limitations as to how many votes each shareholder can give at the annual general meeting or general meeting. There is no provision in the Hemtex's statutes that limits the right to transfer shares. Hemtex AB has not entered into any agreement that may be affected by a possible takeover bid.

Hemtex AB is a Nordic Small Cap company listed on NASDAQ OMX Stockholm. The largest shareholder at the end of the financial year was ICA Gruppen AB with 68.5 percent of the shares and ABG Sundal Collier Norway ASA with 12.3 percent of the shares. No other shareholder holds, directly or indirectly, more than 10 percent of the shares in Hemtex AB.

The Board of directors and any deputy members are appointed at the AGM for the period until the next AGM. There are no provisions in Hemtex's Articles of association regarding the appointed and dismissal of board members.

Significant events

Financing and working capital

According to the current framework agreement, Swedbank Sjuhärad AB and Svenska Handelsbanken undertake to give Hemtex's credit and credit facilities for a total of SEK 255 m on the usual terms.
In the first quarter of 2014, Hemtex agreed with the banks to conclude new credit agreements. The banking agreement extends to 2016-06-30. As collateral for all of its pliktelser against the banks, Hemtex has left the company
Mortgage of SEK 300 m and pledged shares in Hemtex Oy.

Market

The Swedish market for home textiles, according to the assessment company GFK Sweden, amounted to approximately SEK 6.1 billion 2014. According to GfK Sweden, Hemtex's market share increased in 2014 from 19.9 percent of the total market to 22.6 per cent.

Establishments and acquisitions

Eight stores were opened during the 2014 financial year, including four in Sweden, two in Finland and two in Estonia. In the Swedish market Hemtex opened three own stores in Stockholm – Kungens Kurva, Barkarby and the Turegatan. In Ulricehamn, a franchised store opened during the year. Two new stores were opened in the Finnish market, Hämeenlinna and Pori. In Estonia, two own stores were opened in Tartu and Ülemiste.

Rationalizations

During the financial year Hemtex continued its work to review the store stock in the countries where the company operates. Hemtex has closed a total of nine stores in 2014, of which five in Sweden and four in Finland.

Risk factors

Hemtex's activities are associated with risks of different nature. Risks related to the market situation include cyclical effects, changes in fashion and trends, weather and seasonal variations, and competitors.

Risks related to the operational activities include increased production and distribution costs, supplier risks, inventory risk, termination of significant contracts, risks related to acquisitions andThe distribution centre and informationSystem.

The financial risks include risks related to refinancing, unfavorable capital gains and other and credit market conditions, currency, interest rate and credit risks.

Market risks

Konjunkturpåverkan

The demand for Hemtex's products, like all retail trade, is affected by the general economic situation. Consumption patterns are affected by a number of general factors outside of Hemtex's control, including general business conditions, interest rates, exchange rates, inflation and deflation levels, taxes, credit availability, the stock market Development, unemployment levels, other local economic Factors, uncertainties about future economic prospects and more. A more favourable economic activity will have a positive Impact on household finances, which usually affects their consumption patterns positively. A deterioration in economic activity generally has the opposite effect. Hemtex operates in Sweden, Finland and Estonia. Declining GDP and declining private consumption in Hemtex's markets can have a significant negative impact on the company's operations, earnings and financial position.

Moderisker

The demand for home furnishing and home textiles is increasingly being influenced by fashion trends like the clothing industry. Hemtex therefore depends on consumer preferences regarding design, quality and prices of the goods in Hemtex's stores. A misjudgement of customers ' preferences may lead to a fall in the demand for Hemtex's products, which in turn can have a significant negative impact on the company's sales.

Weather and seasonal variations

The weather affects the sale of home textiles. A mild autumn and winter normally affects sales negatively and a cold and rainy summer usually contributes to higher Sales figures. Extreme weather can have major consequences For the company's sales. The sale of home textiles also varies with the seasons. Generally speaking, sales are highest in autumn and winter, where December has traditionally been the best month.

Competitors

The market for HeMtex Products and services are Competitive and there are several different competitors in the local markets. Hemtex's strategy includes improving the already strong position in the market and in 2014, according to the research company GFK Sverige, the Swedish market share increased from 19.9% to 22.6 per cent of the total market.

Operational risks

Production and distribution costs

A large proportion of the products sold by Hemtex are manufactured in countries with lower cost and wage levels than in Sweden. This means that Hemtex can sell its products at a lower price than would be possible if the production took place in Sweden. Developmentment in the countries thatHowever, in many cases is fast and there are no guarantees as to how long the FörhåRelativeThe low cost situation will remain in the countries in question.

Hemtex works with sourcing and with continuous Review the cost mode to enable the lowest possible price out to the customer. Hemtex is actively seeking new ones, and is constantly evaluating existing suppliers and purchasing markets with regard to price, quality, compliance with the Code of conduct and delivery times. By buying more goods directly from manufacturers, purchase prices can be reduced and thereby strengthen the company's margins. Hemtex is also more able to control and influence factories than when purchases are made via intermediaries. The aim of the purchasing work is to increase the proportion of goods purchased directly from the producer. In 2014, approximately 95 percent of Leveransvärdet were purchased without intermediaries.

Supplier risks and more

Hemtex does not have its own production, but uses a number of suppliers that produce the company's goods.

The delivery of the goods on time is very important for Hemtex. The loss of one or more suppliers as well as late or non-delivery could adversely affect the company's operations. Some of the company's products are manufactured in developing countries. The working environment and the conditions That apply to production differs from the conditions Countries where Hemtex's products are sold. Hemtex has established a code of conduct that clarifies the responsibilities of suppliers and regulates the relationship between Hemtex and the supplier.

Since spring 2012, Hemtex cooperates with ICA Global sourcing. The cooperation means that Hemtex has access to a larger number of purchasing and quality offices around Asia and thus acquires a broader supplier base. Together, systematic checks are carried out on the working conditions and the environmental work of suppliers.

Lagerrisk

Hemtex has a group-wide distribution centre (central warehouse) and warehouses in the individual stores. Inventory risk involves a risk that obsolescence arises if inventories are not sold at a value exceeding the acquisition value.

Termination of contract

Hemtex has entered into lease agreements, purchasing agreements and franchise agreements that are important for Hemtex's operations. However, the board of Directors and the Hemtex management judge that no individual agreement or similar relationship to the business is of crucial importance for the group's performance or financial position. The contracts may be terminated with a certain period of notice.

Acquisitions and divestments

Hemtex has over the years made a number of acquisitions of companies and movements. Growth through acquisitions poses a risk due to difficulties in integrating businesses, employees and products. During the 2014 financial year, Hemtex has not made any acquisitions.

Distributionscentral

Most of the goods sold in Hemtex's stores pass through the company's distribution centre located in Jönköping. Insurance exists for property and production interruptions, but there is no guarantee that such amounts are sufficient or can be recovered altogether.

Information

Hemtex is dependent on information systems to control flow from purchasing to sales in stores and to compile operational and statistical information. Any longer interruption or lack of functionality in information systems can result in the loss of important information or delays in the operation, especially if problems occur during the high season, for example during the Christmas trade.

Financial risks

The Board of directors has set different frameworks and the risks that can be taken in the finance policy for Hemtex group. Risk management aims to identify, quantify and reduce, alternatively eliminate, risks. The group's finance policy provides a framework for managing different types of financial risks and defines the risk exposure with which the business is to be conducted. The main thrust is to pursue a low risk profile. The finance policy identifies the risks related to currency management, capital supply and liquidity management.

For further information on financial risks and riskpolicies, see note 26.

Comments to the Income statement

Net sales

Net sales in the group comprise sales to consumers through own stores and wholesale sales to franchise in Hemtexkedjan. During the financial year, net sales amounted to 1041.4 (981.3) million.

Of the group's net sales, operations in Sweden accounted for 925.0 (875.1) million, Finland for 100.1 (92.8) million and operations in Estonia for 16.3 (13.4) million of net sales.

Other operating income amounted to 4.7 (2.4) million and consists mainly of franchise fees and commissions.

Result

The group's gross profit (net sales minus cost of goods sold) amounted to 627.7 (580.8) million during the calendar year. The gross profit margin amounted to 60.3 (59.2) percent.

To reduce the currency risk, Hemtex secures a significant Share of the group's contracted flows in foreign currency. In accordance with the group's finance policy, at least 65 percent of contracted flows will be hedged. The change in the value of outstanding forward contracts, when applying IAS 39, affected the gross profit positively during the financial year by SEK 3.6 (0.9) million.

Operating expenses, excluding merchandise and depreciation and amortization of tangible and intangible fixed assets, amounted to 590.2 (570.3) million. The cost share of sales amounted to 56.7 (58.1) percent.

Depreciation of tangible and intangible fixed assets is allocated to rental units with 4.3 (4.9) million and other amortization of SEK 17.7 (16.9) million.

Operating profit for the financial year amounted to 20.3 (-8.9) million, which means that the operating margin was 1.9 (-0.9) percent. The Swedish and Estonian markets reported positive operating profit, while the Finnish market reported negative operating profit during the financial year. Profit before tax for the group amounted to 13.2 (-16.1) million, giving a profit margin of 1.3 (-1.6) percent. Profit after tax amounted to 13.2 (-16.1) million.

In the financial year, the return on equity was 4.8 (-5.8) percent. Return on operating capital amounted to
To 5.6 (-2.6) percent.

Comments on the balance sheet

Goodwill

During December 2014, all goodwill values in the group have been tested and no impairment is required. The trial has been based on value and is based on forecast future cash flows.

Hemtex Group's total goodwill is reported in the consolidated balance sheet on 31 December 2014 to SEK 249.5 (249.5).

Inventories

On 31 December 2014, inventories amounted to SEK 193.0 (176.8) million. Of the total stock of inventories, the wholesaleInventory 92.5 (79.0).

Inventories per store within the group Amounted at the end of December 2014 to an average of 0.7 (0.7) million. Stock turnover amounted to 2.2 (2.2) as of last December 2014.

Financial position

Liquid funds amounted to 27.9 (40.0) million as of December 31, 2014. Net debt, i.e. interest-bearing liabilities less liquid funds, increased by SEK 14.0 m over the past twelve months and amounted to SEK 93.3 (79.3) on December 31, 2014. The net debt/equity ratio amounted to 33.3 (29.6) percent as of December 31, 2014.

The equity ratio at year-end amounted to 47.9 percent, compared to 47.4 percent at the same time last year.

Hemtex Group's total credit lines, including letter of credit and Valutaterminslimiter, amounted to SEK 255.9 m on December 31, 2014, compared with SEK 255.9 m on December 31, 2013. Of the total unutilised, SEK 131.0 m had been used at the end of the financial year, compared with SEK 126.6 m on December 31, 2013.

The total value of purchase orders for which the currency terminskontrakt was subscribed amounted to 6.3 (4.7) mln on December 31, 2014. The value of these outstanding currency forward contracts amounted to 4.0 (0.4) million at the balance sheet date.

Comments on the cash flow statement

Cash flow and investments

Cash flow from operating activities during the calendar year amounted to 12.1 (12.2) million. Cash flow after investments amounted to SEK-14.8 (-18.9) million.

The group's net cash investments during the calendar year amounted to SEK-26.9 (-31.1) million. The investments amount to SEK 0.0 (1.0) million for the acquisition of stores and SEK 21.8 (17.5) million for investments in start-up and renovations and 5.0 (12.6) million to Other investments.

Personal

During the financial year, the number of employees in the group amounted to 558 (553). The distribution of employees is 8 (8) per cent men and 92 (92) per cent women. Approximately 86 (87) percent work in the retail organization and 14 (13) percent on key functions such as purchasing, logistics, marketing and administration.

Hemtex pursues a continuous gender equality work that permeates the company's activities. As part of this work, the company's equality plan is reworked continuously. For example, the policy assumes that gender pay differentials cannot occur, that working conditions should be adapted for both women and men and that educational and development opportunities should be equivalent.

Hemtex also conducts systematic work to maintain and develop the company's work on the working environment. It is based on that all employees within the group are offered healthy, safe and comfortable workplaces and that all managers are trained in the field. Training in work environment and safety is therefore continuously carried out to capture new employees in the organisation. In Hemtex, it is a requirement that all store managers receive this training. Safety and health tours and subsequent action plans are carried out annually to continuously improve the environment and well-being in Hemtex's activities.

To ensure effective crisis management, there is a comprehensive crisis management plan. The plan highlights potential Events that would occur and how these To be handled. A central crisis management group and crisis support representatives in Butiksledet have been appointed and trained. The Crisis Group meets regularly to develop the crisis management work and to ensure that the organisation is prepared for an unforeseen event, such as the risk of Injury to individual employees or the company as a whole would occur.

Hemtex AB has a collective agreement with the Servants Union and the Commercial Employees ' Association.

The work of the Board during the financial year 2014

The board is responsible for Hemtex's organization and the management of the company's affairs, which includes the adoption of the company's strategy. The Board of Directors is also responsible for appointing the managing director. The work follows an annual plan, with the aim of ensuring the Board's need for information. In addition, the Board of Directors and the Executive Director follow the special rules of procedure which the Board has established concerning the working partBetween the board and the managing Director. The supervisory questions on the board are handled by the Board in its entirety. Evaluation of the Board's work has taken place both within the Board as a whole and in individual discussions. Hemtex's nomination committee has, in the relevant parts for its work, been given the compilation of the evaluation.

For more detailed information regarding the board's Completed meetings, the work of the nominationCommittee and Audit Committee refer to the Corporate governance report.

Bolagsstyrningsrapport

Separate corporate governance report has been submitted and is incorporated On 70-75 In this document. The corporate governance report can also be found on the company's website.

Revisionsutskott

The audit committee is appointed by the Board of Directors and is responsible for determining the principles and quality assurance of the company's financial reporting and internal control.

Ersättningsutskott

The Board of directors appoints a remuneration committee Recommendations on the remuneration of the President and CEO and the management, other Terms of employment and incentive programs. ReplacementThe Committee reports to the Board.

Guidelines for remuneration to senior executives

The AGM resolved on 11 April 2014 on guidelines for remuneration and other terms of employment for the company management. Description of the principles used during the financial year, see Note 4.

The guidelines shall apply to employment contracts entered into after the annual general Meeting 2014 and also to changes in the current employment contracts that are made thereafter. Board Proposals to the annual general meeting on 16 April 2015 regarding guidelines for remuneration and other terms of employment for senior executives are presented below.

Basic Principles

Remuneration to senior executives within Hemtex is based on principles of performance, competitiveness and equity. Different remuneration components are in varying degrees suitable to reflect these principles. Therefore, a mixture of several components is used to reflect the substitution principles in a balanced way.

Senior executives ' Total remuneration consists of fixed salary, annual variable remuneration and pension and other benefits. Together, these components constitute an integrated replacement package.

For each financial year, the details of the total remuneration of senior executives are described in the annual report for the current financial year.

The ratio between fixed and variable salary and the correlation between performance and remuneration

The fixed salary is set on the basis that it will be competitive. The absolute level depends on the size and complexity of the current position and the annual performance of the senior holders.

The performance is especially reflected in the moving component. The variable remuneration of the senior holders is related to the achievement of the budget and targets for the results level of Hemtex. The annual variable remuneration of the senior holders shall normally not exceed (i) five monthly salaries for the Managing director, where 80 percent in equal shares relate to targets linked to sales growth and profitability in accordance with the budget And the remaining 20% to predefined individual targets, (ii) Four monthly salaries for CFO, and (iii) three to one month's salary for other members of Hemtex's management.

The relationship between fixed and variable salary shall reflect the Board's assessment of a reasonable balance between fixed and variable replacement parts and current market practices for senior managers.

The fixed salary during the period of notice and severance pay shall not exceed the amount corresponding to the fixed salary for one year. However, fixed salary and/or severance pay shall not be payable if the former employee in the period in which such compensation is to be paid, recovers or assumes new employment. If such compensation were still payable, the former employee would be repayable.

Main terms and conditions for long-term incentive programs

Hemtex's incentive program shall comprise senior executives in the company that have an impact on the company's earnings and position. An incentive program will contribute to a long-term growth in Hemtex and that employees and shareholders will have a common interest in a positive value development of the share. The Board will assess annually whether a long-term incentive plan is to be proposed.

Pension

Pension benefits must be competitive in the respective home countries of their employees. Hemtex's senior executives have in their employment agreements pension benefits corresponding to the current ITP plan. Variable remuneration shall not be pensionable. The retirement age is normally 65 years but may vary in individual cases.

Other benefits

The basic rule for Hemtex's employees is that other benefits, such as preferential cars and medical plans, should be competitive in the local market.

Deviations from the guidelines

The Board of directors shall be entitled to deviate from the guidelines if, in an individual case, there are special reasons for doing so. During 2014, the board of Directors has not deviated from adopted guidelines.

Majoritetskrav

The annual general Meeting's decision on guidelines for remuneration to senior executives is valid only if it is assisted by shareholders with at least half of the votes cast or, in the event of a tie, the sentence which the President assists.

Significant events after the end of the financial year
No significant events have taken place after the end of the period.

The group's future development
2014 was the best year of performance since 2008. The focus in 2015 is therefore continued profitability. The work to develop the range and to broaden the price ladder continues – both in terms of the soft and hard range. Hemtex will also continue its Work to develop interior collections in collaboration with With interesting designers/design companies.

Proposal for the treatment of loss

At the disposal of the annual general meeting, the following funds, SEK:

Överkursfond	185 380 575
Retained Earnings	-277 688 412
Profit for the year	-3 162 228
Summa	-95 470 065

The Board of Directors and the managing director propose that:

The new account	-95 470 065
Summa	-95 470 065

Total comprehensive income, group

1 January – 31 December		Group	
Tkr	Not	**2014**	2013
Net sales	2	1 041 376	981 317
Other Operating income	3	4 691	2 377
Total operating Revenue		**1 046 067**	**983 694**
Operating expenses			
Commodities	7,18	-413 701	-400 536

Other external costs	5,22	-313 366	-307 557
Personalkostnader	4	-276 808	-262 730
Depreciation, amortization and impairment of tangible and intangible fixed assets	6	-21 932	-21 798
Operating income		**20 260**	**-8 927**
Income from financial items			
Financial income		24	35
Financial expenses		-7 081	-7 177
NET Financial Items	8	**-7 057**	**-7 142**
Income after financial items		**13 203**	**-16 069**
Tax on profit for the year	9	-	-
Profit for the year		**13 203**	**-16 069**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Omräkningsdifferenser		-1 128	-671
Total comprehensive income for the year		12 075	-16 740
Net profit for the year attributable to:			
Parent company shareholders		13 203	-16 069
Non-controlling influence			
Comprehensive income attributable to:			
Parent company shareholders		12 075	-16 740
Non-controlling influence			
Earnings per share before dilution, SEK	10	0,14	-0,17
Earnings per share after dilution, SEK		0,14	-0,17
Number of outstanding shares on the balance sheet date		95 835 506	95 835 506
Average number of shares outstanding		95 835 506	95 835 506
Average number of shares outstanding after dilution		95 835 506	95 835 506

Balance sheets, Group

		Group	
Tkr	Not	**2014**	2013
		31 dec	31 dec
Assets			
Fixed assets			
Intangible assets	11		
Capitalised expenditure on computer programs		18 786	21 710
Tenancy		5 756	10 014
Goodwill		249 492	249 492
Summa		**274 034**	**281 216**

Tangible fixed Assets	12		
Equipment and installations		28 292	21 255
Improvement expenditure on leasehold		10 724	6 676
Advances on tangible assets		800	-
Summa		**39 816**	**27 931**
Financial Fixed Assets	13, 26		
Other long-term securities holdings		1	1
Other long-term receivables		3 063	2 351
Summa		**3 064**	**2 352**
Total non-current assets		**316 914**	**311 499**
Current assets			
Inventories			
Commodities		192 951	176 825
Current receivables			
Kundfordringar	26	6 557	3 853
Current Skattefordran		2 445	2 465
Derivattillgångar	18	4 012	378
Other receivables		438	899
Prepaid expenses and accrued income	14	33 175	29 154
Summa		**46 627**	**36 749**
Cash and Bank		27 914	40 028
Total Current Assets		**267 492**	**253 602**
Total assets		**584 406**	**565 101**

Balance sheets, Group

		Group	
Tkr	Not	**2014**	2013
		31 dec	31 dec
Equity and liabilities			
Equity	15		
Share capital		239 589	239 589
Other contributed capital		455 232	455 232
Book		3 454	4 582
Retained earnings including profit for the year		-418 385	-431 588
Total shareholders ' equity		**279 890**	**267 815**
Long-term liabilities	26		

Provisions for pensions and similar obligations		3 759	2 862
Interest-bearing liabilities to credit institutions	16	70 000	-
Total non-current liabilities		**73 759**	**2 862**
Current liabilities	26		
Interest-bearing liabilities to credit institutions	16	-	70 000
Checkräkningskredit	17	51 189	49 361
Accounts payable		73 459	78 497
Derivatskulder	18	-	-
Other liabilities		47 703	43 698
Accrued expenses and deferred income	19	58 406	52 868
Total Current Liabilities		**230 757**	**294 424**
Total shareholders ' equity and liabilities		**584 406**	**565 101**
Pledged assets and contingent liabilities			
Pledged assets	20	306 978	305 955
Eventualförpliktelser	21	3 700	3 700

Change in shareholders ' equity, group

	Equity attributable to shareholders of the parent company				
Tkr	Share capital	Other Tillskjutet Capital	Book	Retained Earnings incl. Profit for the year	Total Own Capital
Opening equity 2013-01-01	**239 589**	**455 232**	**5 253**	**-415 519**	**284 555**
Profit for the year	-	-	-	-16 069	-16 069
Other comprehensive income	-	-	-671	-	-671
Summa	**239 589**	**455 232**	**4 582**	**-431 588**	**267 815**
Closing shareholders ' equity 2013-12-31	**239 589**	**455 232**	**4 582**	**-431 588**	**267 815**
Opening equity 2014-01-01	**239 589**	**455 232**	**4 582**	**-431 588**	**267 815**
Profit for the year	-	-	-	13 203	13 203
Other comprehensive income	-	-	-1 128	-	-1 128

Summa	**239 589**	**455 232**	**3 454**	**-418 385**	**279 890**
Closing shareholders ' equity 2014-12-31	**239 589**	**455 232**	**3 454**	**-418 385**	**279 890**

Cash flow statements, group

1 January – 31 December		Group	
Tkr	Not	**2014**	2013
OPERATING ACTIVITIES			
Income after financial items		**13 203**	**-16 069**
Adjustments for items not included in cash flow	23	20 376	20 606
		33 579	4 537
Tax paid		-	-
Cash flow from operating activities before changes in working capital		**33 579**	**4 537**
Changes in working capital			
Inventories		-15 122	-6 449
Rörelsefordringar		-9 991	3 910
Non-interest-bearing liabilities		3 609	10 239

Cash flow from operating activities		**12 075**	**12 237**
Investeringsverksamheten			
Acquisition of operations	25	-	-970
Acquisition of intangible fixed assets		-4 433	-12 710
Acquisition of tangible fixed assets		-21 846	-17 461
Acquisition of financial fixed assets		-591	-
Cash flow from investing activities		**-26 870**	**-31 141**
Cash flow after investing activities		**-14 795**	**-18 904**
Finansieringsverksamheten			
Borrowings		1 828	20 595
Amorterade Loans		-	-10 000
Cash flow from financing activities		**1 828**	**10 595**
Cash flow for the year		**-12 967**	**-8 309**
Liquid funds at beginning of year		40 028	47 880
Exchange rate differences in liquid assets		853	457
Liquid funds at year-end		**27 914**	**40 028**
Unutilized credits			
Agreed, unutilized credits		124 904	129 293
Change in net debt			
Net debt at beginning of year		79 333	60 886
Change in interest-bearing liabilities		1 828	10 595
Change in liquid funds		12 114	7 852
Net debt at the end of the year		**93 275**	**79 333**

Income statements, parent company

1 January – 31 December		Parent company	
Tkr	Not	**2014**	2013
Net sales	2	985 087	931 968
Other Operating income	3	7 092	4 599
Total operating Revenue		**992 179**	**936 567**
Operating expenses			
Commodities	7,18	-417 810	-402 710
Other external costs	5,22	-288 072	-284 476
Personalkostnader	4	-246 593	-236 388
Depreciation, amortization and impairment of tangible and intangible fixed assets	6	-33 476	-33 313
Operating income		**6 228**	**-20 320**
Income from financial items			

Income from participations in group companies		-3 400	-730
Financial income		1 086	850
Financial expenses		-7 076	-7 176
NET Financial Items	8	**-9 390**	**-7 056**
Income after financial items		**-3 162**	**-27 376**
Bokslutsdispositioner		-	-
Profit before tax		**-3 162**	**-27 376**
Tax on profit for the year	9	-	-
Profit for the year		**-3 162**	**-27 376**

Statement of comprehensive income, parent company

		Parent company	
Tkr	Not	**2014**	2013
Profit for the year		-3 162	-27 376
Other comprehensive income			
Items that may be reclassified to profit or loss			
Omräkningsdifferenser		-454	-251
Other comprehensive income		-454	-251
Total comprehensive income for the year		**-3 616**	**-27 627**

Balance sheets, parent company

		Parent company	
Tkr	Not	**2014**	2013
		31 dec	31 dec
Assets			
Fixed assets			
Intangible assets	11		
Capitalised expenditure on computer programs		18 786	21 710
Tenancy		5 756	10 014
Goodwill		132 716	145 384
Summa		**157 258**	**177 108**
Tangible fixed Assets	12		
Equipment and installations		24 976	19 720

Improvement expenditure on leasehold		9 054	5 448
Advances on tangible assets		800	-
Summa		**34 830**	**25 168**
Financial Fixed Assets	13,26		
Shares in Group companies		51	51
Other long-term securities holdings		1	1
Other long-term receivables		3 063	2 351
Summa		**3 115**	**2 403**
Total non-current assets		**195 203**	**204 679**
Current assets			
Inventories			
Commodities		179 730	163 787
Current receivables			
Kundfordringar	26	6 481	3 845
Current Skattefordran		2 384	2 384
Receivables from Group Companies		276	337
Other receivables		437	878
Prepaid expenses and accrued income	14	33 147	29 083
Summa		**42 725**	**36 527**
Cash and Bank		16 505	26 580
Total Current Assets		**238 960**	**226 894**
Total assets		**434 163**	**431 573**

		Parent company	
Tkr	Not	**2014**	2013
		31 dec	31 dec
Equity and liabilities			
Equity	15		
Share capital		239 589	239 589

Överkursfond		185 380	185 380
Retained earnings including profit for the year		-281 304	-277 688
Total shareholders ' equity		**143 665**	**147 281**
of which restricted equity in the parent company		239 589	239 589
of which non-restricted equity in the parent company		-95 924	-92 308
Provisions			
Provisions for pensions and similar obligations		3 759	2 862
Total provisions		**3 759**	**2 862**
Long-term liabilities	26		
Interest-bearing liabilities to credit institutions	16	70 000	-
Total non-current liabilities		70 000	-
Current liabilities	26		
Interest-bearing liabilities to credit institutions	16	-	70 000
Checkräkningskredit	17	51 189	49 361
Accounts payable		71 785	77 083
Liabilities to group Companies		1 238	264
Other liabilities		41 157	37 804
Accrued expenses and deferred income	19	51 370	46 918
Total Current Liabilities		**216 739**	**281 430**
Total shareholders ' equity and liabilities		**434 163**	**431 573**
Pledged assets and contingent liabilities			
Pledged assets	20	303 076	302 354
Ansvarsförbindelser	21	3 700	3 700

Cash flow statements, parent company

1 January – 31 December		Parent company	
Tkr	Not	**2014**	2013
OPERATING ACTIVITIES			
Income after financial items		**-3 162**	**-27 377**
Adjustments for items not included in cash flow	23	33 590	32 942
		30 428	**5 565**
Tax paid		-	-
Cash flow from operating activities before changes in working capital		**30 428**	**5 565**
Changes in working capital			
Inventories		-15 746	-7 254
Rörelsefordringar		-6 318	5 221
Non-interest-bearing liabilities		3 424	4 826
Cash flow from operating activities		**11 788**	**8 358**

Investeringsverksamheten			
Acquisition of operations	25	-	-970
Acquisition of intangible fixed assets		-4 433	-12 710
Acquisition of tangible fixed assets		-18 757	-15 456
Divestment of tangible fixed assets		-	1
Acquisition of financial fixed assets		-591	-
Cash flow from investing activities		**-23 781**	**-29 135**
Cash flow after investing activities		**-11 993**	**-20 777**
Finansieringsverksamheten			
Borrowings		1 828	20 595
Amorterade Loans		-	-10 000
Cash flow from financing activities		**1 828**	**10 595**
Cash flow for the year		**-10 165**	**-10 182**
Liquid funds at beginning of year		26 580	36 687
Exchange rate differences in liquid assets		90	75
Liquid funds at year-end		**16 505**	**26 580**
Unutilized credits			
Agreed, unutilized credits		123 952	128 399
Change in net debt			
Net debt at beginning of year		92 781	72 079
Change in interest-bearing liabilities		1 828	10 595
Change in liquid funds		10 075	10 107
Net debt at the end of the year		**104 684**	**92 781**

Change in equity, parent company

Equity Tkr	Bound own Capital Share capital	Reserve Fund	Free own Capital Retained Earnings incl. Profit for the year	Överkursfond	Total
Opening equity 2013-01-01	**239 589**	**-**	**-250 061**	**185 380**	**174 908**
Profit for the year			-27 376		-27 376
Change in translation reserve for the year			-251		-251
Closing shareholders ' equity 2013-12-31	**239 589**	-	**-277 688**	**185 380**	**147 281**
Opening equity 2014-01-01	**239 589**	-	**-277 688**	**185 380**	**147 281**
Profit for the year			-3 162		-3 162
Change in translation reserve for the year			-454		-454
Closing shareholders ' equity 2014-12-31	**239 589**	-	**-281 304**	**185 380**	**143 665**

Notes to the financial statements

All amounts are reported, unless otherwise stated, in SEK thousands (TKR)

1. Redovisningsprinciper

General Accounting Principles
Compliance with standards and law

The consolidated accounts have been prepared in accordance Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as approved by the European Commission for application in the EU. In addition, the recommendation of the Swedish Financial Reporting Board (RFR 1) "Supplementary accounting rules for groups" has been applied.

The parent company applies the same accounting principles as the group except in the cases listed below under the section "parent company Accounting Principles". The differences between the parent company's and the group's principles arise, among other things, from limitations in the possibility of applying IFRS in the parent company as a result of the annual Accounts Act (ÅRL) and the Safeguarding Act and in certain cases for tax reasons. The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act and RFR 2 "accounting for legal persons" from the Swedish Financial Reporting Board.

The annual accounts and the consolidated accounts have been approved for issue by the Board on 5 March 2015. The consolidated statement of comprehensive income and balance sheet and the parent company's income statement and balance sheet will be the subject of a resolution regarding adoption at the annual general meeting on 16 April 2015.

New and changed accounting principles
International Financial Reporting Standards

The news that came into force 2014 is:

- IFRS 10 Consolidated financial statements describe when control exists and thus when an entity is to be included in the consolidated financial statements. The standard provides guidance to assess for when control exists. The EU has approved it with effect from 1 January 2014. The standard does not affect Hemtex's current consolidated accounts.

- IFRS 11 Joint arrangements identify two types of joint arrangements; Joint operation, in which the shareholders have rights and commitments to assets and liabilities, as well as the joint venture, in which the shareholders have rights to the net assets. In joint operations, the shareholders shall recognise their respective assets, liabilities, income and expenses. In the case of a joint venture, the equity method is applied. The EU has approved it with effect from 1 January 2014. Hemtex currently has no holdings covered by the new standard.

- IFRS 12 disclosures of interests in other companies contain disclosure requirements for subsidiaries, joint Ventures, associates and "structured entities" that are not consolidated. The EU has approved it with effect from 1 January 2014. It has no material impact on the financial statements of Hemtex.

- IAS 27 separate financial statements. Accounting and disclosures in the legal entity of subsidiaries, "joint arrangements", associated companies and "unconsolidated structured entities". The EU has approved it with effect from 1 January 2014. Does not affect Hemtex's financial statements.

- IAS 28 Investments in associates and joint ventures describe the application of the equity method to both accounting for associated companies and joint ventures. The EU has approved it with effect from 1 January 2014. Does not affect Hemtex's financial statements.

- Amendments to IAS 32 Financial instruments: classification Inserts a clarification in the section "Guidance on application" regarding the offsetting of financial assets and financial liabilities. The changes take Kraft January 1, 2014. ChangesNot affect Hemtex's financial statements.

- The change in IAS 36 "Recover Amount disclosures for Non-Financial assets" briefly implies that further Information shall be provided on fair value when the recoveryThe value of a depreciated asset is based on fair value minus selling costs. The changes do not affect Hemtex's financial statements.

- The amendment to IAS 39 "Novation of derivatives and Continuation of Hedge Accounting "introA relief at the hedgingAccounting by permitting hedge accounting to continue even where a derivative, designated as a hedging instrument, is transferred to a CCP if certain conditions are met, including that it is required by law or regulation; For example, EMIR. The changeTransactions when derivatives are voluntarily transferred to Central Counterparty. The changes do not affect Hemtex's financial statements.

The following changes and updates have been decided by the IASB and shall be effective as of 1 January 2015 or thereafter unless the application date Adopted by the EU. None of theThe changes in 2015 are expected to have a material impact on the group's financial statements.

- IFRS 9 Financial instruments. The new standard has been revised in different parts, some of which relate to the recognition and measurement of financial assets and financial liabilities. The standard is divided into three parts; Classification and valuation, hedge accounting and write-down. The EU has not yet approved the standard and there is at present no information on when an authorisation can be expected.

- IFRS 14 Regulatory Deferral accounts (not yet approved by the EU and no approval schedule) will enter into force for financial years beginning on or after 1 January 2016. The standard specifies the requirements for the accounting of "rate-regulated activities" that arise when a company provides goods or services to a customer at a price or Interest which is subject to "interest rate regulation". This standard is a temporary solution which can therefore only be applied by time adopter elects of IFRS where previous GAAP had rules.

- IFRS 15 revenue from contracts with costumers (expected to be approved by the EU in Q2 2015) will enter into force for financial years beginning on or after 1 January 2017.

In accordance with the change, the accounting of the proceeds shall start in a contract for the sale of a product or service, between two parties. A customer contract is identified, which the seller generates an asset (rights, a promise of obtaining compensation) and A liability (commitment, a promise of transfer of goods/services). The main features of IFRS 15 are based on the following simplified Femstegsmodell:

Step 1. Identify an agreement between at least two parties where there is a right and a commitment.

Step 2. Identify the various commitments. A contract contains promises to transfer goods or services to the customer (performance bonds).
All commitments which can be distinguished by their nature shall be disclosed separately.

Step 3. Determine the transaction price. The transaction price is the amount of compensation that the company is expected to receive in exchange for the promising goods or services. The transaction price shall be adjusted for moving parts, such as any discounts.

Step 4. Allocate the transaction price of the various performance commitments. Typically, the company can allocate the transaction price of each individual product or service based on a stand-alone sales price.

Step 5. Fulfilment of commitments and recognition of revenue. The entity shall recognise revenue when fulfilling its performance commitments. The amount recognised as revenue is the amount that the company has previously allocated to the current performance commitment.

The standard shall be applied retroactively in accordance with one of two models presented.

- IFRIC 21 Charges (approved by EU 13 June 2014) entered into force on 1 January 2014, but the EU opted to postpone the first application to financial years beginning on 17 June 2014 or later. The interpretation clarifies when a liability for fees (covered by IAS 37) is to be reported. Fees are fees/taxes that State or equivalent body imposes companies in accordance with laws/regulations except for income taxes, fines or other penalties.

- IFRS 10 KoncernredovisninG and IAS 28 investments in interestCompanies and joint ventures – amendment (expected to be approved by the EU Q3 2015) enters into force in the financial years beginning on or after 1 January 2016 and clarifies how a parent company should account for a transaction in which control of a subsidiary is Lost (whose Business does not constitute a business as defined in IFRS 3 business combinations) by selling all or part of its shareholding in the subsidiary to an associate or to a joint venture accounted for using the equity method. The changes clarify when and how the parent company's possible gain or loss as a result of this transaction is to be recognised in the income statement.

- IFRS 11 Joint Arrangements – Amendment (expected to be approved by the EU in Q1 2015) enters into force for financial years beginning on or after 1 January 2016. The standard requires that a joint operation, which recognises the acquisition of a shareholding in a joint operation, the business of which is a business, shall recognise the acquisition in accordance with the relevant principles of IFRS 3 business combinations for Acquisition accounting. Furthermore, the amendments make clear that a prior participation interest in a joint operation should not be revalued if additional interests are acquired as long as joint control consists.

- IAS 16 property, plant and equipment and IAS 38 intangible assets – Amendment enters into force on financial years beginning on or after 1 January 2016. The standard prohibits revenue-using depreciation of tangible fixed assets. A earnings method can only be be used for intangible assets.

- IAS 19 Employee Benefits – Amendment (expected to be approved by the EU Q4 2014) shall apply to financial years beginning Den1 July 2014 or later. The changes clarify the period in which contributions from workers or third parties will reduce the pensionThe market for Defi Ned Benefi Pension plans.

- IAS 27 Separate Financial statements – Amendment (expected to be approved by the EU Q3 2015) will enter into force for the financial years beginning on or after 1 January 2016. and introduces an opportunity for a legal Person to account for investmentInvestments in subsidiaries, joint ventures and associates in the application of the equity method. With the legislation in Sweden, this change is hardly appropriate in Swedish legal personality.

Conditions for drawing up the group's and the parent company's financial statements

The parent company's functional currency is Swedish kronor, which also forms the reporting currency of the parent company and the group. This means that the financial statements are presented in Swedish kronor. All amounts, unless otherwise stated, are rounded to the nearest thousand. Assets and liabilities are reported at acquisition values, except for certain financial assets and liabilities that are valued at fair value.

The preparation of financial statements in accordance with IFRS requires management to make assessments, estimates and assumptions that affect the reported amounts of assets, liabilitiesIncome and expenses. UpThe estimates and assumptions are based on historical experience and a number of other factors that seem reasonable in the current circumstances. The actual outcome may deviate from the estimates and assessments made.

Estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period in which the change is made if the change only affected this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

Events after the balance sheet date refer to both favorable and unfavourable events occurring between the balance sheet date and the date of the beginning of the following year when the financial statements are signed by the members of the board. Information is provided in the annual report of significant events after the balance sheet date which are not taken into account when determining the balance sheet and profit and loss accounts. Only events that confirm conditions at the balance sheet date arebe respected on behalfArnas fixing.

The following accounting principles for the group have been applied consistently to all periods presented in the group's financial statements, unless otherwise stated below.

Important estimates and assessments

According to management, critical assessments of accounting principles applied, as well as sources of uncertainty in estimates, are mainly related to valuation of goodwill and inventories. See note 11 for goodwill.

Inventories have been valued at the lower of cost and net realisable value. The size of net realisable value includes calculations based, inter alia, on the assessment of Future selling prices, where the estimated price reductions have been taken into account. The actual outcome of future sales prices may deviate from the assessments made.

Segmentsredovisning

ALL internal accounting and follow-up takes place based on the geographical breakdown, which is the company's classification basis for segment reporting.

The segments ' results, assets and liabilities have included directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner.

Classification

Fixed assets and non-current liabilities consist essentially of amounts that are expected to be recovered or paid later than twelve months after the balance sheet date. Current assets and current liabilities consist essentially of amounts that are expected to be recovered or paid earlier than twelve months after the balance sheet date.

Konsolideringsprinciper

The consolidated financial statements include the parent company Hemtex AB and all the companies in which Hemtex AB has a controlling influence. Controlling influence has the parent company when it is exposed to or has the right to variable returns from its involvement in a company and can influence the return by means of influence over the company. Thus, the franchisee's income statement and balance sheet are not included in the consolidated financial statements.

The group companies have been consolidated in accordance with the acquisition method. The net assets of the acquired subsidiaries are valued at their respective fair values at the date of acquisition ("Acquisition Analysis"). Where fair value measurement gives values other than the book value of the acquired company, these values constitute the group's acquisition values. exceeds the acquisition value of the subsidiary shares the fair value of the identifiable net assets at the time of acquisition, the difference is reported as goodwill. is less than the acquisition value of the net identifiable assets are recognized the surplus immediately in the income statement.

Goodwill is valued at acquisition value less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not depreciated but tested at least annually for impairment, see write-downs.

The consolidated income statement includes the acquired companies during the financial year from the date of acquisition. During the year, divested companies are included until the date when the controlling influence ceases.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other group surplus and sub-values, are translated from entity functional currency to the group's reporting currency, Swedish kronor, at the exchange rate prevailing on Balance sheet date. Income and expenses in a foreign operation are translated to Swedish kronor at an average rate that is an approximation of the prices at the time of each transaction. Translation differences arising from currency translation of foreign operations are reported under other comprehensive income.

Transactions in foreign currency

Purchases and sales in foreign currencies are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and Liabilities in foreign currency are converted into the functional currency at the exchange rate prevailing at the balance sheet date. Exchange-rate differences arising from the translation are reported in the income statement. Ickemonetära assets and liabilities that are reported at historical acquisition value are translated at the exchange rate At the balance sheet date. For hedging of future contracted currency flows resultatredovisas exchange rate differences on the hedging transaction at the closing date. Kursdifferensen is included in its entirety in the operating profit.

Revenue

Hemtex Group's net sales consist of goods to consumers through their own stores and wholesale sales to franchise within Hemtexkedjan. Income at goods is recognised as income in the income statement upon delivery. Sales are reported excluding VAT and after discounts. Outstanding bonuses to Customer club members are continuously taken into account in revenue recognition.

Other operating income consists mainly of franchise fees, connection fees for new franchise and commissions. Franchise fees are accrued in the income statement as they are earned. Connection fees for new franchise are reported in the period that the shop opens and some obligations linked to the franchise agreement do not exist. Invoicing of marketing Services has reduced other external costs.

Financial income and expenses

Financial income and expenses consist of interest income on bank deposits and interest-bearing securities, interest expenses on loans, dividend income and exchange-rate differences.

Dividend income is recognised when the right to receive payment is determined.

Financial instruments

Financial instruments recognised in the balance sheet include, on the asset side, liquid assets, trade receivables and derivatives. Liabilities and equity include Accounts payable, issued debt instruments, loan liabilities and derivatives.

Financial instruments are initially measured at cost corresponding to the fair value of the instrument plus transaction costs for all financial instruments other than those belonging to the category financial asset that are recognised at Fair value above profit or loss, which is reported at fair value. Accounting is then depending on how they have been classified as below.

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party under the contractual terms of the instrument. Accounts receivable are recognised in the balance sheet when the invoice has been sent. Debt is raised when the counterparty has performed and contractual obligation exists to pay, even if the invoice has not yet been received. Accounts payable are entered when the invoice is received.

A financial asset is removed from the balance sheet when the rights in the agreement are realised, expired or the company loses control of them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the contractual obligation is fulfilled or otherwise extinguished. The same applies to part of a financial liability.

Acquisitions and disposals of financial assets are recognised on the trade date, which constitutes the date on which the company commits to acquire or divest the asset. In cases where the company acquires or disposes of listed securities, it applies liquid daily accounting.

A financial asset and a financial liability are offset and accounted for with a net amount in the balance sheet only where there is a legal right to offset the amounts and that there is an intention to settle the items by a net amount or to To realise the asset and settle the debt.

Financial instruments are classified in categories. The classification depends on the intention of the acquisition of the financial instrument. The management determines the classification at the original acquisition date. Hemtex has the following categories:

- Financial assets valued at fair value over the year's profit or loss

  In this category, derivatives are in the form of forward exchange contracts when they have a positive market value. Assets in this category are measured at fair value with changes in value reported in profit or loss for the year.

- Loans Receivable and Accounts receivable

  Loan receivables and trade receivables are financial assets that are not derivatives with fixed payments or payments that can be determined and are not listed on an active market. The claims arise when companies provide money, goods and services directly to the creditor without the intention of trading in the debtors. The category also includes purchased receivables. Assets in this category are valued at amortised cost. Accrued acquisition valueThey are determined on the basis of the effectiveInterest calculated at the time of acquisition.

- Financial liabilities valued at fair value over profit or loss

  In this category, derivatives are available in the form of forward exchange contracts when they have a negative market value. Liabilities in The category is continuously valued at fairValueChanges reported in profit/loss for the year.

- Other financial liabilities

  Financial liabilities that are not held for trading are valued at amortised cost. Accrued acquisition value is determined on the basis of the effective interest rate that was calculated when the liability was raised. This means that the above and below values as well as direct issue costs are accrued over the period of the debt.

Long-term receivables and other receivables Long-term receivables and other short-term receivables are receivables that arise when the company provides money without the intention of trading in the claim.

If the expected holding period is longer than one year, they are long-term receivables and shorter other receivables. These receivables belong to the Category loan receivables and Accounts receivable.

Financial Investments

Financial investments are either financial fixed assets or short-term investments depending on the purpose of the holding. If the term or the expected holding period is longer than one year, they are financial fixed assets and if they are less than one year's short-term investments.

Kundfordringar

Trade receivables are classified inTegorin Loan receivables and customerClaims. Accounts receivable are reported at the amount Deductions for doubtful receivables that have been assessed individually. The expected maturity of the customer receivable is short, which is why the value is recorded at par-Ntering. Customer Write-downsReceivables are reported in operating expenses.

Liquid Funds

Liquid funds include cash, immediately available bank deposits and "money on the Move".

Debt

Liabilities are classified as other financial liabilities, which means that they are initially reported at the amount received after deduction for Transaction costs. After the acquisition date, the loans are valued at amortised cost according to effective-Räntemetoden. Accrued acquisition value is determined on the basis of the effective interest rate that was calculated when the loans were raised. This means that the above and below values as well as direct issue costs are accrued over the duration of the loans. Long-term liabilities have an expected maturity of more than one year, while short-term has a maturity of less than one year.

Accounts payable

Accounts payable are classified in the category other financial liabilities. Accounts payable have a short expected maturity and are valued without discounting at the nominal amount.

Derivative instruments

Hemtex's derivative instruments consist of forward exchange contracts that are used to reduce the risk of exchange rate fluctuations. Company Mainly use currency forwards to hedge purchases in USD. Hemtex does not apply hedge accounting but recognises the capital gains and decreases in the derivative as income and expenses within the operating profit.

Intangible assets

Goodwill

Goodwill represents the difference between the group's acquisition value of the business combination and the fair value of the acquired identified assets, liabilities assumed and contingent liabilities at the time of acquisition.

Goodwill is valued at acquisition value less any accumulated impairment lossesR. Goodwill is distributed to cashGenerating units and are not depreciated in the group, but tested at least annually for impairment. See further in the section impairment.

Capitalised expenditure on computer programs

The acquisition cost of licenses and the development of larger IT systems for internal use will be capitalised where they are Be of value to the company for several years. Direct and indirect external and internal expenditure on development of software for Personal use is activated. Expenditure on pre-study, training and ongoing Maintenance is expensed continuously.

Tenancy

Rental rights acquired by the group are reported at acquisition value less accumulated amortisation and any impairment losses.

Additional expenditure

Additional expenditure on an intangible asset is added to the acquisition value only if it increases the future economic benefits that exceed the initial assessment and the expenditure can be calculated reliably. All other expenses are expensed when they arise.

Tangible assets

Tangible fixed Assets Reported as an asset in the balanceThe bill if it is probable that future economic benefits will come to the company and the cost of the asset can be measured reliably.

Tangible fixed assets are reported in the group at cost less accumulated amortisation and any impairment losses. The acquisition value includes the purchase price and costs directly attributable to the asset to bring it into place and in condition to be used in accordance with the purpose of the acquisition. Examples of directly attributable costs included in the acquisition value are the costs of delivery and handling,Consultancy services and Legal counselServices.

Additional expenditure is added to the acquisition value to the extent that the asset's performance is improved in relation to the level prevailing at the time it was originally acquired. Other additional expenditure is recognised as an expense in the period in which it arises.

Leased assets

As a lessee, the company and the group have entered into operational leasing agreements. The leasing cost are recognized evenly over the contract period and includes variable fees, where applicable, that are marginal in relation to the total costs. The group has financial leasing agreements for cars. The total value of these agreements is marginal in size, which is why they are reported as operational leasing agreements. The group's operational leasing agreements mainly refer to premises for offices and shops and shop fittings.

Depreciation

Depreciation of tangible and intangible fixed assets is based on original acquisition values less With calculated residual value and depreciated on a linear basis over the estimated The useful life and RRecognized as cost in profitBill. Each part of a tangible fixed asset with a Acquisition value that is significant in relation to the asset's total cost is depreciated separately. The following useful life periods apply:

Intangible assets

BalancesExpenditure on computer programs	5 years
BertSrätter	10 year

Tangible assets

InVentarier and installations	3-5 years
FörbättrinGsutgift on Leasehold	5 years

Inventories

Inventories are listed at the lower of acquisition value and NET realisable value. NetToförsäljningsvärdet, it is upEstimated sales price in the ordinary course of business, after deduction of estimated costs for completion and for a sale. The acquisition value is calculated according to weighted average prices.

Nedskrivningar

At each closing date, it is assessed whether there is any indication that the group's assets have decreased in value. If this is the case, the recoverable amount of an asset is calculated. In the case of goodwill, a review is carried out at least once a year regardless of whether an indication of impairment exists or not. Goodwill be tested for each cash-generating unit. The recoverable amount is the highest of an asset's net realisable value and value in use. As regards the recoverable amount of goodwill, these are based on Value. In determining the value of use now-
ValueEstimated future net payments that the asset is expected to generate during the period of use. The present value calculation uses a pre-tax calculation rate that reflects the current market interest rate and the risk attributable to the asset.

If the recoverable value is less than the carrying amount, the An impairment loss on the asset to recoverable value. Reversals Impairment losses are effected if there has been a change in the Assumptions that formed the basis For the calculation of the recoveryValue. Goodwill impairment losses are not reversed. A write-down of assets other than goodwill is reversed only to the extent that the carrying amount of the asset after the reversal does not exceed the Carrying Amount AvailableWould have had if someone nedHad not been made, taking into account the depreciation Would have been made. DownExercises and reversals of NedAmortization are reported in the income statement.

At each reporting date assesses, the company evaluates whether Objective evidence that a financial asset or group of assets is in need of impairment. Objective evidence consists partly of observable conditions that have occurred and which have a negative impact on the possibility of recovering the cost of acquisition and, secondly, of a significant or prolonged reduction in the fair value of an investment in a financial Investment classified as a available-for-sale financial asset.

Dividends

Dividends are recognised as a liability after the annual general meeting approves the dividend.

Result per share

The calculation of earnings per share is based on profit for the year in the group attributable to the parent company's shareholders and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, the earnings and the average number of shares are adjusted to take into account the effects of dilutive potential ordinary shares which, during the reported periods, arise from warrants By senior executives and key employees within the group.

Pensioner

Commitments for pensions are classified as either fee-specific plans or defined benefit plans. Plans Mainly covers ageSpension, disability pension and post-Living pension. Obligations With respect to fees for feeSpecific plans are reported as an expense in the income statement when they arise. The value of a defined benefit pension plan is the present value of the defined benefit obligation minus the fair value of any plan assets with which the obligation is to be settled. If this net value consists of a liability, it is recognised as a provision in the balance sheet. If the net value consists of an asset, this is reported if certain Criteria are met, as a LångfriStig Financial claim. HemtexThe group's commitment to employees in Sweden is secured through insurance with ALECTA. According to a statement by the Swedish Financial Reporting Emergency group (UFR 3), this is a multi-employer defined benefit plan. At present, Alecta cannot provide the information that makes it possible to report this plan as defined-benefit. The pension plan under ITP, which is secured through an alecta insurance, is therefore reported as Defined contribution plan. At the end of December 2014, alecta surplus in the form of the collective consolidation level amounted to 143 per cent. The collective consolidation level is the market value of ALECTA assets as a percentage of the insurance commitments calculated according to Alecta actuarial calculation assumptions, which Not conform to IAS 19. Pensions in Finland are defined-contribution pension plans. Pension costs for the year are shown in Note 4.

Termination benefits

A provision is reported in connection with redundancies of staff only if the company is demonstrably obligated to terminate an employment before the normal time or when compensation is provided as an offer to encourage voluntary resignation. Where the company terminates staff, a detailed plan shall be drawn up which includes at least the workplace, positions and approximate number of persons concerned, as well as the remuneration for each category of staff or position and the time of implementation of the plan.

Provisions

A provision is recognised in the balance sheet when the group has an existing legal or constructive obligation as a result of an event occurring, and it is probable that an outflow of economic benefits will be required to settle the obligation.
Where the effect of when payment is made is material, provisions are calculated by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, if applicable, The risks associated with the debt.

Taxes

Total tax is the current tax and deferred tax. Taxes are reported in the profit or loss for the year, other comprehensive income or directly in equity based on where the underlying transaction is reported.

Current tax is tax that is to be paid or received for the current year. This includes adjustment of current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between the carrying amounts and the tax values of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be capped and applying the tax rates and tax rules that are decided or announced as of the balance sheet date. Temporary differences are not taken into account in group goodwill, nor in differences attributable to shares in subsidiaries and associates that are not expected to be taxed in the foreseeable future.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognised only to the extent that it is probable that they will result in lower tax payments in the future.

Borrowing costs

Borrowing costs are charged to the result in the period to which they relate. Hemtex holds no so-called qualifying assets for which these expenses are to be capitalised.

Eventualförpliktelser (Ansvarsförbindelser)

A contingent liability is recognised when there is a possible commitment arising from past events and whose existence is confirmed only by one or more uncertain future events or when there is a commitment that is not recognised as a liability or Provision because it is unlikely that an outflow of resources will be required.

Kassaflödesanalys

The cash flow statement is prepared in accordance with the indirect method, which means that the profit after financial items is adjusted for transactions that did not involve cash receipts or payments during the period and for any revenues and expenses attributable to Cash flows of investment activities.

Parent company Accounting Policies

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation of the Swedish Financial Reporting Board RFR 2 "Accounting for legal entity". RFR 2 means that the parent company in the annual report of the legal entity shall apply all of the EU-approved IFRSs and statements as far as possible within the framework of the annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to be made from IFRSs.

Differences between the group's and the parent company's accounting policies

The accounting principles for the parent company described below have been applied consistently to all periods presented in the parent company's financial statements.

Classification and presentation forms

The parent company's income statement and balance sheet are set out in accordance with the annual Accounts Act schedules.

Subsidiary

Shares in subsidiaries are reported in the parent company according to the acquisition value method. All dividends received are recognised as revenue. The item shares in subsidiaries Nedskrivningstestas if there are indications or reasons to believe that the recoverable amount is less than the carrying value.

Intangible assets

In the parent company, Goodwill is recognised in the balance sheet that arose in connection with the merger of subsidiaries and in asset acquisitions.

In the parent company, Goodwill Amortization is 20 years. Reason For the estimated lifespan, the acquisitions have been important for the construction of Hemtex and geographic coverage of the market. Furthermore, these entities enable the strategic use of the group's penetration and purchasing organisation.

Taxes

Untaxed reserves, including deferred tax liabilities, are reported in the parent company. In the consolidated financial statements, however, untaxed reserves are divided into deferred tax liabilities and equity.

Financial instruments

Hemtex applies the exemption rule in RFR 2 and reports financial instruments according to a method based on acquisition value.

All amounts are reported, unless otherwise stated, in SEK thousands (TKR)

2. Segment reporting

Accounting by Operating segment 2014					
	Group				
	Sweden	Finland	Estonia	Adjustments	**Total**

Revenue					
External net sales	925 034	100 079	16 263	-	1 041 376
Internal net sales	43 790	-	-	-43 790	-
Summa	**968 824**	**100 079**	**16 263**	**-43 790**	**1 041 376**
Operating income	29 889	- 9 803	174	-	20 260
Ofördelade ränteintäkter	-	-	-	-	24
Unallocated interest expenses	-	-	-	-	–7 081
Profit/Loss after net financial items	**-**	**-**	**-**	**-**	**13 203**
Other information					
Inventories	175 957	13 178	3 816	-	192 951
Other assets	385 293	16 499	3 292	-13 629	391 455
Unallocated assets	-	-	-	-	-
Total assets	**561 250**	**29 677**	**7 108**	**-13 629**	**584 406**
Debt	286 769	40 851	1 123	-27 986	300 757
Unallocated liabilities	-	-	-	-	-
Total liabilities	**286 769**	**40 851**	**1 123**	**-27 986**	**300 757**
Investment	22 362	3 390	1 118	-	26 870
Depreciation, tangible assets	8 828	1 124	365	-	10 317
Amortization, intangible assets	24 283	-	-	-12 668	11 615

Accounting by Operating segment 2013						
	Group					
	Sweden	Finland	Estonia	Denmark	Adjustments	**Total**
Revenue						
External net sales	875 144	92 750	13 423	-	-	981 317
Internal net sales	43 401	-	-	-	-43 401	-
Summa	**918 545**	**92 750**	**13 423**	-	**-43 401**	**981 317**
Operating income	268	- 9 371	- 130	306	-	-8 927
Ofördelade ränteintäkter	-	-	-	-	-	35
Unallocated interest expenses	-	-	-	-	-	-7 177
Profit/Loss after net financial items	**-**	**-**	**-**	**-**	**-**	**-16 069**
Other information						
Inventories	161 721	13 038	2 066	-	-	176 825
Other assets	380 689	16 121	3 210		-11 744	388 276
Unallocated assets	-	-	-	-	-	-
Total assets	**542 410**	**29 159**	**5 276**	**-**	**-11 744**	**565 101**
Debt	281 319	39 652	572	-	-27 119	294 424
Unallocated liabilities	-	-	-	-	-	-
Total liabilities	**281 319**	**39 652**	**572**	**-**	**-27 119**	**294 424**
Investment	28 110	2 030	31	-	-	30 171
Depreciation, tangible assets	8 671	1 145	477	-	-	10 293
Amortization, intangible assets	24 165	-	-	-	-12 660	11 505

The segment's operating profit includes the results of the retail business in each market. The results of the Swedish wholesale business from sales to the respective markets are included in the Sweden business segment.
The adjustments column refers to internal balances and the allocation of goodwill to the Swedish segment, which is the only cash-generating unit in which goodwill is recognised.

Net sales per geographic market for the parent company		
	2014	2013
Sweden	941 297	888 567
Finland	43 790	43 401
Summa	**985 087**	**931 968**

Net sales	Group		Parent company	
	2014	2013	2014	2013
Sales to Franchise	32 764	25 414	32 764	25 414
Sales to stores in subsidiaries	-	-	43 790	43 401
Sales to consumers in own stores	1 008 612	955 903	908 533	863 153
Summa	**1 041 376**	**981 317**	**985 087**	**931 968**

In addition to the goods of Hemtex's own range, sales to franchise include genomfakturering of products from contract suppliers which are not marginalized and further invoicing of store equipment and computer equipment.

3. Other Operating income

	Group		Parent company	
	2014	**2013**	**2014**	**2013**
Franchiseavgifter	1 555	1 606	1 555	1 606
Provision	168	437	168	437
Management Fee	-	-	2 520	2 309
Other	2 968	334	2 849	247
Summa	**4 691**	**2 377**	**7 092**	**4 599**

4. Employees and personnel costs

Average number of employees

The average number of employees within the group and salaries and remuneration is shown in the following summary. The average number of employees has been calculated by setting the number of hours of attendance in relation to normal working time in each country. The data on the number of employees
Salaries and remuneration refer to the period 1 January to 31 December for each year.

	2014		**2013**	
	Average number of employees	Including Men	Average number of employees	Including Men

Parent company				
Hemtex AB	481	41	479	43
Subsidiary				
Hemtex Ltd, Finland	76	2	73	2
Hemtex International AB	1	-	1	-
Group Total	**558**	**43**	**553**	**45**

Presentation of gender distribution in management

	2014		**2013**	
	Number of men	Number Women	Number of men	Number Women
Parent company				
Board	3	4	3	3
Other senior executives	6	2	5	2
Group Total				
Board	9	4	9	3
Other senior executives	6	2	5	3

Salaries, other remuneration and social security costs

	2014		**2013**	
	Salaries and other remuneration	Social costs (of which pensions-Costs	Salaries and other remuneration	Social costs (of which pensions-Costs
Parent company	180 922	64 033	173 574	61 074
		-9 758		-11 121
Subsidiary	24 196	5 770	22 620	5 559

		-4 582		-3 820
Group	205 118	69 803	196 194	66 633
		-14 340		-14 941

The group's pension costs for the company's management and a former retiring executive (9 persons) amount to SEK 2 744 (2 495) for the Board of Directors (7 persons) amounts to SEK pension (SEK 0 thousand).

Hemtex Group has today both defined benefit plans and defined contribution plans. All employees in Sweden are linked to the ITP plan via Alecta, which is a defined benefit plan but are reported as a defined contribution plan according to a statement by the Swedish Financial Reporting Board (UFR 3).
At present, Alecta cannot provide such information that makes it possible to report this ITP plan as defined benefit. Pensions in Finland are defined-contribution pension plans. Obligations relating to contributions to defined contribution plans are recognised as an expense in the income statement when they arise.

Salaries and other remuneration distributed by country

	2014		2013	
	GovernanceLSE and leading Senior-Executives (12 people)	Other Employees	Board of Directors and senior executives-Executives (12 people)	Other Employees
Parent company				
Hemtex AB	11 369	169 553	10 459	164 816
Subsidiary				
Hemtex Ltd, Finland	-	21 955	-	19 671
Hemtex International AB, Sverige	2 241	-	1 248	-
Group	**13 610**	**191 508**	**11 707**	**184 487**

Sickness absence in the parent company

Reporting of sickness absence during the period 1 January to 31 December for each year.

%	**2014**	**2013**
Total sickness absence	4,89	4,71
Långtidssjukfrånvaro	2,78	2,64
Sickness absence for men	1,74	0,84
Sick leave for women	5,3	5,3
Employees, age until 29 years	4,48	3,31
Employees, age 30 – 49 years	4,88	4,77
Employees, age from January 50 years	5,12	5,29

Salary and remuneration policy for senior executives 2014

The annual general meeting on 11 April 2014 decided on the following principles. This policy deals with salaries and other remuneration for group management including the President and CEO, hereinafter referred to as "senior executives".

Ersättningsutskott

The board members appointMembers a remunerationCommittees for each year of operation. The Committee has the task of taking Forward proposals for salary and other remuneration for the President and CEO and to consider proposals for salaries and other remuneration for other senior executives.

Basic Principles

Remuneration to senior executives within Hemtex is based on principles of performance, competitiveness and equity. Different remuneration components are in varying degrees suitable to reflect these principles. Therefore, a mixture of several components is used to re-Pegla replacementPrinciples in a balanced way.

Senior executives ' Total remuneration consists of fixed salary, annual variable remuneration and pension and other benefits. Together, these components constitute an integrated replacement package.

For each financial year, the details of the total remuneration of senior executives are described in the annual report for the current financial year.

The ratio between fixed and variable salary and the correlation between performance and remuneration

The fixed salary is determined on the basis that it will be competitive. The absolute level depends on the size and complexity of the current position and the annual performance of the senior holders.

The relationship between fixed and variable salary shall reflect the Board's assessment of a reasonable balance between fixed and variable replacement parts and current market practices for senior managers.

Variable remuneration in main features

The variable remuneration of the senior holders is related to the achievement of the budget and targets for the results level of Hemtex. The annual variable remuneration of the senior holders shall normally not exceed (i) five monthly salaries for the Managing director, where 80 percent in equal shares relate to targets linked to sales growth and profitability in accordance with the budget And the remaining 20% to predefined individual targets, (ii) Four monthly salaries for CFO, and (iii) one to three monthly salaries for other members of Hemtex's management.

The relationship between fixed and variable salary shall reflect the Board's assessment of a reasonable balance between fixed and variable replacement parts and current market practices for senior managers.

The fixed salary during the period of notice and severance pay shall not exceed the amount corresponding to the fixed salary for one year. However, fixed salary and/or severance pay shall not be payable if the former employee in the period in which such compensation is to be paid, recovers or assumes new employment. If such compensation were still payable, the former employee would be repayable.

Pension

Pension benefits must be competitive in each country. For the senior executives who have agreed on pension benefits in addition to ITP in their employment contracts, a supplementary pension premium is payable. This premium amounts to a certain percentage based on the fixed monthly salary including the bonus for the President and CEO and a certain percentage based on the fixed monthly salary of other senior executives, who have this Benefit in its agreement. Variable remuneration shall not be pensionable.

The retirement age is normally 65 years but may vary in individual cases.

Other benefits

The basic rule is that other benefits, such as benefit cars and medical plans, should be competitive in the local market.

Benefits to the Board of directors and senior executives

Board

Fees are paid to the Chairman and members elected by the AGM at the AGM's decision.

The Chairman's fee for the financial year 2014 amounts to SEK 0 (0). Other external members ' fees for the financial year total SEK 850 (850). Remuneration to the remuneration committee amounts to 75 (75), according to the AGM's decision. Fees to the Audit committee amount to SEK 75 (75), according to the AGM's decision. No fee is paid to the Chairman of the board, Stein Petter Ski and board member Liv Forhaug. In accordance with the rules in force, it has been possible for board members who meet certain conditions to invoice the amount of the board and committee fees. The board member may then impose an amount relating to social security contributions on his invoice. The social security contributions that are then included in the invoiced amount are not higher than the employer fees the company would otherwise have paid. The entire fee, i.e. the cash portion of the fees and the committee fee, including social security contributions, is then invoiced on board fees.

Remuneration and other benefits to the members of the Board Under 2014

	Board fees	Remuneration committee	Fee Audit Committee
Stein Petter Ski (ORDF)	-	-	-
Ingemar Charleson	170	25	-

Mats Holgerson	170	-	50
Christel Kinning	170	50	-
Paul Adlercreutz	170	-	25
Rocky AF Ekenstam Brennicke	170	-	-
Liv Forhaug	-	-	-
Summa	**850**	**75**	**75**

Remuneration and other benefits to the members of the Board Under 2013

	Board fees	Remuneration committee	Fee Audit Committee
Stein Petter Ski (ORDF)	-	-	-
Ingemar Charleson	170	25	-
Mats Holgerson	170	-	50
Christel Kinning	170	50	-
Paul Adlercreutz	170	-	25
Rocky by Eken Stam Brennicke	170	-	-
Summa	**850**	**75**	**75**

Managing Director

Peder Larsson's fixed monthly salary is 250 Ksek and he has in addition to this right to compensation of SEK 2.3 m paid at Termination of employment. No variable remuneration for the financial year has been discontinued. The CEO also has a health insurance.

The pension for the financial year amounted to 571 (586). The President and CEO is subject to pension benefits under ITP 2, with 65 years as the normal retirement age.

Peder Larsson is entitled to pay for a six-month notice of termination on the part of Hemtex. Upon termination by the CEO, six months ' notice period applies. In so far as the Executive director takes office outside Hemtex during the period of notice, the remuneration received by the Executive Director shall be deducted from the salary paid by Hemtex. Peder Larsson is entitled to pay for a notice period of 6 months upon termination by Hemtex. Upon termination by the CEO, six months ' notice period applies. In so far as the Executive director takes office outside Hemtex during the period of notice, the remuneration received by the Executive Director shall be deducted from the salary paid by Hemtex.

For six months after the termination of employment, the Executive Director is bound by a prohibition of competition. To compensate for this, Hemtex shall, during the period of validity of the prohibition of competition, pay compensation equal to the difference between his fixed cash monthly salary from Hemtex at the end of his employment and the (lower) income he subsequently earns in new Acquisition activities. However, the contribution from Hemtex shall not exceed 60% of the fixed cash salary from Hemtex.

Other executives

The basic salary for the other 8 (8) Persons in management has been 8 356 (7 567). Bonus has been paid with 0 (72) Ksek. The pension for the financial year amounted to 2 173 (1 909). Pension benefits are based on a general pension plan. Pensionable salary consists of basic salary and a Average of the last three years ' variable remuneration. All of the company management has a company car. Retirement age amounts to 65 years. In the event of termination by the employer, an unchanged salary is payable for 12 months. In case of termination by employees, six months are valid.

Remuneration and other benefits to other senior executives under 2014 (amounts relate to payments paid)

2014	Basic Salary	Variable remuneration	Other benefits	Pensions-Cost	Other remuneration	Summa
CEO, Peder Larsson	3 000	-	-	571	-	3 571
Other senior executives[1]	8 356	-	649	2 173	-	11 178
Summa	**11 356**	**-**	**649**	**2 744**	**-**	**14 749**

1) Management 2014 (excluding CEO): Niklas Odequist, Ann Bernlert, ULF Seger, Lena Nyberg-Collin, Ted Bergström, Anette Jansz, Ramzi el Amri, Andreas Berntsson.

Remuneration and other benefits to other senior executives under 2013 (amounts relate to payments paid)

2013	Basic Salary	Variable remuneration	Other benefits	Pensions-Cost	Other remuneration	Summa
Acting CEO, Peder Larsson[1]	-	-	-	-	889	889
CEO, Peder Larsson[2]	2 110	-	-	586	-	2 696
Other senior executives[3]	7 567	72	607	1 909	-	10 155
Summa	**9 677**	**72**	**607**	**2 495**	**889**	**13 740**

1) Remuneration to the TF CEO is billed monthly.
2) Peder Larsson takes over as CEO on April 15, 2013.
3) Management 2013 (excluding CEO): Niklas Odequist, Ann Bernlert, ULF Seger, Lena Nyberg-Collin, Ted Bergström, Anette Jansz, Ramzi el Amri, Stefan Högkvist.

5. Auditors ' fees

Remuneration to the company's audit firm has been paid out with the following amounts. Audit assignments refer to the audit of the annual accounts and accounting records as well as the administration of the Board of Directors and the managing Director, as well as advice or other assistance resulting from observations made during such review or execution of such other Data.

Audit activities In addition to the audit assignment refer to different types of quality assurance services, which shall result in a report, certificate or similar. This includes, for example, review of the interim report. Tax advice refers to advice related to taxes, VAT and staff taxation. Everything else is other services.

	Group		Parent company	
	2014	2013	**2014**	2013
Ernst & Young				
Revisionsuppdraget	1 186	1 137	1 024	955
Auditing in addition to the audit engagement	42	111	42	111
Skatterådgivning	-	-	-	-
Other services	-	-	-	-
Summa	**1 228**	**1 248**	**1 066**	**1 066**

6. Depreciation, amortization and impairment of tangible and intangible fixed assets

	Group		Parent company	
	2014	2013	**2014**	2013
Capitalised expenditure on computer programs	-7 357	-6 624	-7 357	-6 624
Tenancy	-4 258	-4 881	-4 258	-4 881
Goodwill	-	-	-12 668	-12 660
Equipment and installations	-8 300	-9 411	-7 604	-8 648
Improvement expenditure on leasehold	-2 017	-882	-1 589	-500
Summa	**-21 932**	**-21 798**	**-33 476**	**-33 313**

The group does not write off goodwill and in the parent company Goodwill is depreciated in 20 years. Goodwill in the parent company arises in connection with the merger of subsidiaries and in connection with asset acquisitions. The reason for the estimated lifespan is that the acquisitions have been important for Hemtex's and geographic coverage of the market. Furthermore, these entities enable strategic use of the group's penetration and purchasing organisation. For information on impairment testing for goodwill, see note 11.

7. Exchange differences affecting earnings

	Group		Parent company	
	2014	2013	**2014**	2013
Exchange differences affecting operating profit	22 717	24 294	19 083	24 320
Summa	**22 717**	**24 294**	**19 083**	**24 320**

Transaktionsexponering

The group's purchases are made primarily in foreign currencies, mainly in USD and EUR, while sales are in the currency of each subsidiary. This means that the group's sales and earnings are affected by currency fluctuations. The group mainly uses currency futures to limit the effect of short-term exchange rate fluctuations.

8. NET Financial Items

	Group		Parent company	
	2014	2013	**2014**	2013

Ränteintäkter, koncernföretag	-	-	1 073	820
Interest income, other	24	35	13	30
Total financial income	**24**	**35**	**1 086**	**850**
Income from shares in subsidiaries	-	-	-3 400	-730
Interest expenses, other	-7 081	-7 177	-7 076	-7 176
Total financial expenses	**-7 081**	**-7 177**	**-10 476**	**-7 906**
NET Financial Items	**-7 057**	**-7 142**	**-9 390**	**-7 056**

9. Tax

Reconciliation of current tax rate and effective tax rate

	Group		Parent company	
	2014	2013	**2014**	2013
Reported profit before tax	13 203	-16 069	-3 162	-27 376
Tax according to the applicable tax rate for the parent company	-2 905	3 535	695	6 023
Tax effect of:				
Effect of foreign tax rates	-	-	-	-
Non-deductible expenses	-3 564	-3 348	-3 564	-3 348
Non-taxable income	67	136	67	136
Reconsidered and unaccounted loss carryforwards and other items	6 402	-323	2 802	-2 811
Adjustment of current tax attributable to previous years	-	-	-	-
Redovisad Effective tax	**-**	**-**	**-**	**-**

Tax rates

	2014	2013
Sweden	22,0%	22,0%
Finland	24,5%	24,5%

On 1 January 2014, the deferred Nettoskattefordran amounted to SEK 0 thousand. No further deferred tax assets have been included in the 2014.

In total, loss carryforwards after deduction of temporary differences in tax and book value of fixed assets amounted to approximately SEK 505 m. of this amount, approximately SEK 10 m pertains to operations in Finland and approximately 495 million in Hemtex AB. The deficit carryforwards have no Time limit in Sweden, while in Finland they are limited to 10 years from the Year in which they arise.

On January 1, 2013, the reported deferred tax Nettoskattefordran to SEK 0 thousand. No further deferred tax assets have been included in 2013.

In total, loss carryforwards after deduction of temporary differences in tax and book value of fixed assets amounted to approximately SEK 517 m. of this amount, approximately SEK 9 million pertains to operations in Finland and about SEK 508 million in Hemtex AB. The deficit carryforwards have no Time limit in Sweden, while in Finland they are limited to 10 years from the Year in which they arise.

The losses in Denmark are no longer included when the Danish company was liquidated in 2013.

10. Result per Share

	Group	
	2014	2013
Profit for the year	13 203	-16 069
Basis for calculating earnings per share before dilution	13 203	-16 069
Average number of shares before dilution	95 835 506	95 835 506
Earnings per share before dilution	**0,14**	**-0,17**
Basis for calculating earnings per share after dilution	13 203	-16 069
Average number of shares after dilution	95 835 506	95 835 506
Diluted earnings per share	**0,14**	**-0,17**

Calculation of average number of shares	Group	
	2014	**2013**
Opening number of shares on January 1	95 835 506	95 835 506
New Share issue	-	-

Closing number of shares on December 31	**95 835 506**	**95 835 506**
Average number of shares during the period	**95 835 506**	**95 835 506**
Additional shares due to dilution effect	-	-
Average number of shares during the period after dilution	**95 835 506**	**95 835 506**

During the year, no Treasury shares have been acquired or transferred. As of 31 December 2014, neither Hemtex AB nor any company in the group had a shareholding in Hemtex AB. Hemtex AB has only one class of shares in which all equities have equal voting value. There are no instruments that can cause dilution.

11. Intangible assets

Capitalised expenditure on computer programs	Group		Parent company	
	2014	2013	**2014**	2013
	31 dec	31 dec	**31 dec**	31 dec
Opening acquisition value	59 778	47 068	59 778	47 068
Capitalised expenditure for the year	4 433	12 710	4 433	12 710
Divestments and disposals	-	-	-	-
Closing accumulated acquisition values	**64 211**	**59 778**	**64 211**	**59 778**
Opening depreciation according to plan	-38 068	-31 444	-38 068	-31 444
Divestments and disposals	-	-	-	-
Depreciation for the year	-7 357	-6 624	-7 357	-6 624
Closing accumulated depreciation according to plan	**-45 425**	**-38 068**	**-45 425**	**-38 068**
Carrying Amount	**18 786**	**21 710**	**18 786**	**21 710**

	Group	Parent company

Tenancy

	2014 31 dec	2013 31 dec	2014 31 dec	2013 31 dec
Opening acquisition value	57 841	57 841	57 841	57 841
Acquisitions for the Year	-	-	-	-
Divestments and disposals	-	-	-	-
Closing accumulated acquisition values	**57 841**	**57 841**	**57 841**	**57 841**
Opening depreciation according to plan	-47 827	-42 946	-47 827	-42 946
Divestments and disposals	-	-	-	-
Depreciation for the year	-4 258	-4 881	-4 258	-4 881
Closing accumulated depreciation according to plan	**-52 085**	**-47 827**	**-52 085**	**-47 827**
Carrying Amount	**5 756**	**10 014**	**5 756**	**10 014**

Goodwill	Group		Parent company	
	2014 31 dec	2013 31 dec	**2014 31 dec**	2013 31 dec
Opening acquisition value	291 641	290 991	253 359	252 709
Acquisitions for the Year	-	650	-	650
Divestments and disposals	-	-	-	-
Closing accumulated acquisition values	**291 641**	**291 641**	**253 359**	**253 359**
Opening depreciation according to plan	-	-	-88 641	-75 981
Divestments and disposals	-	-	-	-
Depreciation for the year	-	-	-12 668	-12 660
Closing accumulated depreciation according to plan	**-**	**-**	**-101 309**	**-88 641**
Opening write-downs	-42 149	-42 149	-19 334	-19 334
Impairment losses for the year	-		-	-
Closing accumulated write-downs	**-42 149**	**-42 149**	**-19 334**	**-19 334**
Carrying Amount	**249 492**	**249 492**	**132 716**	**145 384**

A review of the goodwill has been made in connection with the annual accounts on the last December 2014. No impairment was found in the trial.

Goodwill was tested for the cash-generating unit, the Swedish retailer, on the basis of value when goodwill is only reported for the Swedish retail business. The value is based on the present value of the future cash flows that the entity is expected to generate. When calculating future cash flows, the company's budget and forecasts have been used. The management has determined the budget and forecasts based on the past two years ' outcomes and expectations of sales and cost developments according to the company's business plan. Key assumptions underlying the calculation of future cash flows consist of sales development, product mix, gross margin and cost development and investment level. The Budget and forecasts refer to year 2015-2019 and cash flows for the period thereafter are extrapolated from a growth rate of 2.0 (2.5) percent. The eternal growth factor used is based on the company's expectations of market and inflation developments.

Nyttjandevärdena was calculated with a discount rate amounting to 10.6 (11.5) percent before tax. The decrease compared to last year is primarily attributable to a lower risk-free interest rate. The discount rate stated before tax reflects the specific risks that apply to the Swedish retail business.

An overall analysis has been made of the sensitivity of the variables used. A reasonably possible change in an important assumption or discount rate is not expected to lead to any impairment. For example, the assumption of a deterioration in the annual growth rate from 2.0% to 1.0% or an assumption of an increase in the discount rate from 10.6% to 12% before tax would not entail any impairment. A decrease in EBITDA margin of One percentage point Or an increased level of investment by one percentage point throughout the forecast period would not entail any impairment.

In the assessment of other intangible assets, management has not had any indication that an impairment requirement was present within the group.

12. Tangible fixed Assets

Equipment and installations	Group		Parent company	
	2014	2013	**2014**	2013
	31 dec	31 dec	**31 dec**	31 dec
Opening acquisition value	171 811	158 473	139 020	128 091
Acquisitions for the Year	15 322	12 099	12 826	10 819
Divestments and disposals	-4 897	-	-4 733	-
Translation differences for the year	2 233	1 239	195	110
Closing accumulated acquisition values	**184 469**	**171 811**	**147 308**	**139 020**
Opening depreciation according to plan	-150 556	-139 978	-119 300	-110 597
Divestments and disposals	4 808	-	4 708	-
Depreciation for the year	-8 300	-9 411	-7 604	-8 648
Translation differences for the year	-2 129	-1 167	-136	-55
Closing accumulated depreciation according to plan	**-156 177**	**-150 556**	**-122 332**	**-119 300**
Carrying Amount	**28 292**	**21 255**	**24 976**	**19 720**

Improvement expenditure on leasehold	Group		Parent company	
	2014	2013	**2014**	2013

	31 dec	31 dec	31 dec	31 dec
Opening acquisition value	28 616	22 732	22 277	17 341
Acquisitions for the Year	6 101	5 692	5 207	4 936
Divestments and disposals	-511	-	-38	-
Translation differences for the year	393	192	-	-
Closing accumulated acquisition values	**34 599**	**28 616**	**27 446**	**22 277**
Opening depreciation according to plan	-21 940	-20 866	-16 829	-16 329
Depreciation for the year	-2 017	-882	-1 589	-500
Divestments and disposals	387	-	26	-
Translation differences for the year	-305	-192	-	-
Closing accumulated depreciation according to plan	**-23 875**	**-21 940**	**-18 392**	**-16 829**
Carrying Amount	**10 724**	**6 676**	**9 054**	**5 448**

13. Financial Fixed Assets

Shares in Group companies	Parent company	
	2014	2013
Opening acquisition value	69 925	66 625
Acquisitions for the Year	3 400	3 300
Sales	-	-
Closing accumulated acquisition values	**73 325**	**69 925**
Opening write-downs	-69 874	-66 573
Impairment losses for the year	-3 400	-3 301
Closing accumulated write-downs	-73 274	-69 874
Closing residual value according to plan	**51**	**51**

Parent company's Direct holdings in subsidiaries

	Capital Share,%	Rösträtts-Share,%	Number Shares	Posted Value
Hemtex Ltd, Finland	100	100	3 000	1
Hemtex International AB	100	100	500	50
Summa				**51**

Koncernföretag

	Corporate	Seat
Hemtex Ltd, Finland	1650251-5	Helsinki
Hemtex International AB	556905-3845	Borås

Other long-term securities holdings	Group		Parent company	
	2014	2013	**2014**	2013
	31 dec	31 dec	**31 dec**	31 dec
Opening acquisition value	1	1	1	1
Acquisitions for the Year	-	-	-	-
Sales	-	-	-	-
Closing accumulated acquisition values	**1**	**1**	**1**	**1**

Other long-term receivables	Group		Parent company	
	2014	2013	**2014**	2013
	31 dec	31 dec	**31 dec**	31 dec
Opening acquisition value	2 351	2 320	2 351	2 320
Additional receivables	722	42	722	42
Regulated receivables	-10	-11	-10	-11
Closing accumulated acquisition values	**3 063**	**2 351**	**3 063**	**2 351**

Other long-term receivables consist mainly of endowment insurance.

14. Prepaid expenses and accrued income

	Group		Parent company	
	2014	2013	**2014**	2013
	31 dec	31 dec	**31 dec**	31 dec
Prepaid rents	28 671	26 024	28 671	26 024
Prepayments	3 844	2 516	3 816	2 445
Accrued income	660	614	660	614

Summa	**33 175**	**29 154**	**33 147**	**29 083**

15. Equity

Shareholders ' equity in the group

Share capital

The parent company's share capital.

Other contributed capital

Refers to shareholders ' equity that is contributed by the owners. This includes the share premium accounts transferred to the Reserve Fund as at 31 December 2005. Provisions to the share premium Reserve from 1 January 2006 onwards are also reported as contributed capital.

Book

Hemtex's reserves consist only of the translation reserve. The translation reserve includes all exchange rate differences arising from the conversion of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the group's financial statements Presented in the parent company and the Group presents its financial statements in Swedish kronor.

Retained earnings including profit for the year

Retained earnings including profit or loss for the year include earnings in the parent company and its subsidiaries less dividends paid.

Equity in the parent company

Share capital

The registered share capital amounts to 239 589 (239 589) and consists of 95 835 406 (95 835 406) shares. Hemtex AB has only one share class where all shares have equal voting value.

Restricted funds

Restricted funds must not be reduced by distribution of profits.

Free Equity

Premium Account: When the share is issued in excess of the shares, that is, for the shares to be paid more than the quota value of the equities, an amount equal to the amount received above the quotient value of the shares shall be transferred to share Premium reserve.

Retained earnings including profit/loss for the year: corresponds to the accumulated gains and losses that were generated in total less dividends paid.

Kapitalhantering

According to the Board's policy, the group's financial objective is to future a good capital structure and to achieve financial stability in order to create confidence in investors, creditors and the market and to provide a basis for further development of Business. Capital is defined as total shareholders ' equity.

In managing the capital, the group follows up several Measurement values including Other equity ratio, indebtednessRate, cash flow after investments and net debt in relation to EBITDA. Results of these and comparative figures are shown in the Flerårsöversikten on page 69.

16. Liabilities to credit institutions

The banks have extended the current credit agreement to the 30 June 2016.

	Group		Parent company	
	2014	2013	**2014**	2013
	31 dec	31 dec	**31 dec**	31 dec
Total liabilities to credit institutions	70 000	70 000	70 000	70 000
of which are reported as current liabilities	-	-70 000	-	-70 000
Long-term liability to credit institutions	70 000	-	70 000	-
Expires between one and five years	70 000	-	70 000	-

Expires later than five years	-	-	-	-

Loan of SEK 70 m with interest 2.97% due 2016-06-30 in full.

17. Checkräkningskredit

See information on the banks ' credit agreements under note 16.

	Group		Parent company	
	2014	2013	**2014**	2013
	31 dec	31 dec	**31 dec**	31 dec
Approved Credit limit	92 514	92 196	91 562	91 302
Unused portion	-41 325	-42 835	-40 373	-41 941
Utilised Credit Amount	**51 189**	**49 361**	**51 189**	**49 361**

Interest rate on granted overdraft facility as per 2014-12-31 is 2.14%-2.59%.

18. Derivattillgångar/derivatskulder

Derivative assets/Derivative liabilities consist of currency forward contracts for USD. As of the balance sheet date, the value of outstanding forward contracts amounted to 4 012 (378). The value of outstanding forward contracts during 2014 affected operating profit positively by SEK 3 634 (918), due to a rising USD rate. The effect of the change in value of outstanding forward contracts is recorded in the item merchandise because the hedging measure relates to the purchase of goods.

The fair value of forward exchange contracts is determined using quoted rates for currency forwards on the balance sheet date. The valuation corresponds to level 2 according to IFRS 13.

Due to the correlation between accounting and taxation, the rules on financial instruments in IAS 39 are not applied to the parent company as a legal entity; Without these rules will continue to apply only to the consolidated financial statements.

The value of outstanding forward contracts as at 31 December is reported under the heading "Other receivables".

19. Accrued expenses and deferred income

	Group	Parent company

	2014 31 dec	2013 31 dec	2014 31 dec	2013 31 dec
Holiday and salary debt	35 064	33 406	30 454	28 852
Accrued Social security contributions	17 955	16 828	16 631	15 462
Other Items	5 387	2 634	4 285	2 604
Summa	**58 406**	**52 868**	**51 370**	**46 918**

20. Pledged assets

	Group		Parent company	
	2014 **31 dec**	2013 31 dec	**2014** **31 dec**	2013 31 dec
For own liabilities and provisions				
Företagsinteckningar	303 806	303 577	300 000	300 000
Shares in Group companies	147	75	51	51
Endowment	3 025	2 303	3 025	2 303
Total for own liabilities and provisions	**306 978**	**305 955**	**303 076**	**302 354**

21. Eventualförpliktelser/Ansvarsförbindelser

	Group		Parent company	
	2014 **31 dec**	2013 31 dec	**2014** **31 dec**	2013 31 dec
Other contingent liabilities	3 700	3 700	3 700	3 700
Summa	**3 700**	**3 700**	**3 700**	**3 700**

Other contingent liabilities pertains to the customs guarantee 2 000 Ksek, 1 500 tsek guarantee against the carrier and 200 Tsek other.

22. Leasing charges for operational leasing

The group and the parent company have entered into leasing agreements for their own stores and offices with the following leasing commitments. Hemtex AB Vidareuthyr A small number of leasing assets to a few franchisees. These do not amount to any material amount, which is why no information is provided on these. The following information does not include leasing agreements where Hemtex AB only vidarefakturerar paid rent. For the leasing agreements that are commercial, only the agreed Bashyra is specified. In addition, the parent company and the group have leasing agreements for computer systems, equipment and company cars.

	Group		Parent company	
	2014	2013	**2014**	2013
	31 dec	31 dec	**31 dec**	31 dec
Financial year's expensed leasing fees (incl. variable fees)	162 746	157 488	135 483	133 296

	Group		Parent company	
	Furniture	Local	Furniture	Local
Agreed future minimum lease payments				
2015	9 446	122 061	9 446	106 704
2016	2 806	78 666	2 806	67 876
2017	676	43 091	676	36 319
2018	-	19 940	-	16 127
2019 and later	-	10 698	-	6 564

Variable fees in the form of sales rent are not in agreed future Minileasingavgifter as above. Based on history, the variable fees are marginal in relation to the total cost. For 2014, the variable fees were 0.1 per cent of the expensed leasing charges for the financial year. The contracts are dismissable with a notice period of between 6 and 12 months before the end of the agreement.

The possibility of renegotiation is normally not available during the duration of the contracts.

No option to acquire the items does not exist.

23. Adjustment for items not included in cash flow

	Group		Parent company	
	2014	2013	**2014**	2013
Depreciation, amortization and impairment of assets	21 932	21 798	33 476	33 313
Valutakursdifferenser	-2 453	-1 245	-783	-424
Allocated to pensions	897	53	897	53
Summa	**20 376**	**20 606**	**33 590**	**32 942**

24. Interest paid

	Group		Parent company	
	2014	2013	**2014**	2013
Interest received	24	35	12	30
Interest paid	7 081	7 098	7 076	7 083

25. Acquisition of subsidiaries/businesses

During 2014, no acquisitions of subsidiaries/businesses have taken place.

2013	Carrying Amount Before acquisition	Fair value Adjustments	Fair value Carrying amount of the group
Intangible assets	-	-	-
Tangible fixed Assets	-	-	-
Inventories	483	-	483
Total identified net assets	**483**	-	**483**
Goodwill	-	-	650
Rörelseskulder	163		163
Total identified net assets incl. Goodwill	**-**	**-**	**970**
Purchase price paid	**-**	**-**	**970**
Effect on the group's liquid funds	**-**	**-**	**970**

During April 2013, a franchised store was acquired in Katrineholm with an annual turnover of approximately SEK 3.5 million. The purchase price for The Franchisebutiken amounted to a total of SEK 1.0 million and was paid in cash. Giblets in the store amounted to SEK 0.3 m, which resulted in a goodwill of SEK 0.7 million. The store contributed SEK 2.7 m in sales and SEK 0.4 m in operating profit during the financial year.

No intangible fixed assets other than goodwill have been identified in connection with the acquisition of Franchisebutiken during the financial year 2013.

Since Hemtex AB delivered most of the goods that acquired franchise sold, the group's turnover will not be affected by the whole of the above Turnover at the consumer level. The estimated turnover in the group amounts to approximately half of the acquired sales.

26. Financial risks and Riskpolicies

Financial assets and liabilities

The financial assets available and used in the group are liquid funds, trade receivables, loan receivables, derivatives and financial assets valued at fair value through profit or loss for the year.

The financial liabilities that exist and are used in the group are accounts payable, overdrafts, interest-bearing liabilities to credit institutions and derivatives.

Volvo Group 2014	Financial derivatives	Customer and loan receivables	Other Financial liabilities	Total Carrying Amount *	Non-financial assets and liabilities	Summa
Other long-term securities holdings	-	-	-	-	1	1
Other long-term receivables	-	-	-	-	3 063	3 063
Kundfordringar	-	6 557	-	6 557	-	6 557
Other current receivables/derivatives	4 012	-	-	4 012	2 883	6 895
Cash and Bank	-	27 914	-	27 914	-	27 914
Summa	**4 012**	**34 471**	-	**38 483**	**5 947**	**44 430**
Long-term liabilities to credit institutions	-	-	70 000	70 000	-	70 000
Current liabilities to credit institutions	-	-	51 189	51 189	-	51 189
Accounts payable	-	-	73 459	73 459	-	73 459
Derived	-	-	-	-	-	-
Summa	-	-	**194 648**	**194 648**	-	**194 648**

Volvo Group 2013	Financial derivatives	Customer and loan receivables	Other Financial liabilities	Total carrying Amount	Non-financial assets and liabilities	Summa
Other long-term securities holdings	-	-	-	-	1	1
Other long-term receivables	-	-	-	-	2 351	2 351
Kundfordringar	-	3 853	-	3 853	-	3 853

Other current receivables/derivatives	378	-	-	378	3 364	3 742
Cash and Bank	-	40 028	-	40 028	-	40 028
Summa	378	**43 881**	-	**44 259**	**5 716**	**49 975**
Long-term liabilities to credit institutions	-	-	-	-	-	-
Current liabilities to credit institutions	-	-	119 361	119 361	-	119 361
Accounts payable	-	-	78 497	78 497	-	78 497
Derived	-	-	-	-	-	-
Summa	**-**	-	**197 858**	**197 858**	-	**197 858**

* The difference between financial assets and liabilities booked and fair values is not considered to be material.

Parent company 2014	Items valued at fair value Through profit for the year	Customer and loan receivables	Other Financial liabilities	Total carrying Amount	Non-financial assets and liabilities	Summa
Other long-term securities holdings	-	-	-	-	1	1
Other long-term receivables	-	-	-	-	3 063	3 063
Kundfordringar	-	6 481	-	6 481	-	6 481
Cash and Bank	-	16 505	-	16 505	-	16 505
Summa	-	**22 986**	-	**22 986**	**3 064**	**26 050**
Long-term liabilities to credit institutions	-	-	70 000	70 000	-	70 000
Current liabilities to credit institutions	-	-	51 189	51 189	-	51 189
Accounts payable	-	-	71 785	71 785	-	71 785
Summa	-	-	**192 974**	**192 974**	-	**192 794**

Parent company 2013	Items valued at fair value Through profit for the year	Customer and loan receivables	Other Financial liabilities	Total carrying Amount	Non-financial assets and liabilities	Summa
Other long-term securities holdings	-	-	-	-	1	1
Other long-term receivables	-	-	-	-	2 351	2 351
Kundfordringar	-	3 845	-	3 845	-	3 845
Cash and Bank	-	26 580	-	26 580	-	26 580
Summa	-	**30 425**	-	**30 425**	**2 352**	**32 777**
Current liabilities to credit institutions	-	-	119 361	119 361	-	119 361
Accounts payable	-	-	77 083	77 083	-	77 083

Summa	-	-	**196 444**	**196 444**	-	**196 444**

Kundfordringar	Group	
	2014	**2013**
Kundfordringar Gross	6 593	3 853
Provision for doubtful accounts receivable	-36	-
Kundfordringar Net	**6 557**	**3 853**
Credit loss Disposal Account – reconciliation		
Provision at beginning of year	-	-31
Provision for anticipated losses	-36	-
Losses found	-	31
Provision at year-end	**-36**	**-**
Age analysis of accounts receivable		
Accounts receivable not due	6 523	3 474
Accounts receivable overdue 0 – 30 days	4	97
Accounts receivable overdue 30 – 90 days >	10	273
Accounts receivable Overdue > 90 – 180 days	3	-
Accounts receivable Overdue > 180 – 360 days	17	5
Accounts receivable overdue > 360 days	-	4
Summa	**6 557**	**3 853**

Valutaterminer

The total value of purchase orders for which currency forward contracts were signed amounted to 6.3 (4.7) mln at the balance sheet date. The value of these outstanding currency forward contracts amounted to 4.0 (0.4) million at the balance sheet date. The fair value of forward exchange contracts is determined using market prices for currency futures on the balance sheet date. Hedge accounting is not applied. The valuation corresponds to level 2 according to IFRS 13.

Financial risks

The Board of directors has set different frameworks and the risks that can be taken in the finance policy for Hemtex group. Risk management aims to identify, quantify and reduce or eliminate risks.

The group's finance policy provides a framework for managing different types of financial risks and defines the risk exposure with which the business is to be conducted. The main thrust is to pursue a low risk profile. The finance policy identifies the risks related to currency management, capital supply and liquidity management.

Valutahantering

The policy covers the entire group's currency management. The companies in the group shall, if possible, only operate in local currency. All transactions between Hemtex AB and other companies in the group take place in each company's local currency. Currency risk arises from the following three categories of exposures;

- Transaction exposure – defined as the net of all contracted commercial financial inputs and outflows in foreign currency.
- Translation exposure – defined as adjusted equity Capital in foreign subsidiaries.
- Financial exposure – defined as the offsets in the competitive image that occur when currency relationships are changed. Currency risk refers to the resultant effect of a change in exchange rates.

The single largest transaction exposure consists of changes in USD against the Swedish krona as the majority of Hemtex's purchases of goods take place in USD. Hemtex secures the risks identified in relation to the currency management according to one of the board's fixed RisknorM and in policy-approved Instruments/transactions. To reduce the currency risk, Hemtex secures a significant share of the group's contracted flows in foreign currency. In accordance with the group's finance policy, at least 65 percent of the contracted flows in USD will be hedged.

In the event of a possible increase in USD against SEK of 0.50, this would mean increased purchasingApproximately SEK 25 m before currencyFuse.

The total exchange differences affecting earnings during the financial year have been positive and total SEK 22.7 (24.3) million. Change in value of UTEstående semestersContracts, for the purposes of IAS 39, had a positive impact on gross profit during the financial year of SEK 3.6 (0.9) million.

Kreditrisker i kundfordringar

As the group mostly sells cash to the customer, the credit risks in accounts receivable are minimal.

Kapitalförsörjning

This covers liquidity risk/refinancing, interest rate risk, collateral provision and guidelines for subsidiaries.

- Liquidity risk and refinancing – liquidity risk and refinancing refer to the risk that, due to a shortage of liquid assets, the company is unable to meet its commitments and does not reach business-critical volumes. The group's goal is to maintain a balance between continuity and flexibility in financing through bank loans and overdrafts. Credit to customers and credits from suppliers greatly influences the need for liquid funds. In the event of a strong negative financial performance, banks may terminate existing loans and credit commitments as a result of breaches of applicable loan agreements, including covenants. The main factors influencing the liquidity risk are the sales development and hence the trend in earnings, the size of the inventory and the payment terms from suppliers. According to the group's current routines, liquidity management is centred on Hemtex AB's finance department in order to optimise the use of liquid funds and minimise the need for financing. To minimise liquidity risk, liquidity monitoring is carried out on all the group's liquid accounts. Weekly liquidity forecasts are drawn up for the next three months.
- Interest rate risk – is defined as the risk that the group's earnings will change as a result of a change in marketInterest rate. The interest rate risk is managed by regulating the Average fixation period and/or Through the use Of interest rate derivatives.
- According to the current framework agreement, Swedbank Sjuhärad AB and Svenska Handelsbanken undertake to give Hemtex's credit and credit facilities for a total of SEK 255 m on the usual terms. In the first quarter of 2014, Hemtex has renewed its credit agreement, which extends to June 30, 2016. As collateral for all of its obligations to the banks, Hemtex has left companyMortgages of SEK 300 m and pledged shares in Hemtex Oy.

Likviditetsförvaltning

The group's external investments in surplus cash are handled by Hemtex AB. The risks identified in the financial policy, the Board has developed guidelines for procedures, permitted instruments and instructions for subsidiaries.

27. Related party transactions

Purchases and sales between group companies

Hemtex AB's sales to subsidiaries amounted to 43.8 (43.4) million. No purchases from the subsidiaries have been made.

For purchases and sales between group companies, the same principles of pricing as for transactions with external parties are applied.

The parent company's holdings of shares and Participations in subsidiaries are shown in note 13.

Hemtex has agreements with ICA Global sourcing regarding the purchase of services such as compliance with environmental and quality requirements and supplier evaluations.

Transactions with key personnel in managerial positions

Regarding salaries and remuneration to the Board of directors and senior executives, see note 4. The group has no receivables from key employees. Liabilities to key persons consist of customary related liabilities.

28. Significant events after the end of the financial year

No significant events have taken place after the end of the period.

29. Proposed dividend to shareholders

No dividend is proposed for the financial year 1 January 2014 – 31 December 2014.

30. Information about the parent company

Hemtex AB is active in the association form of Aktiebolag and has its registered office in Borås, Västra Götaland. Head office Address is Hemtex AB, Box 495, 501 13 BORÅS.

The Board of Directors and the managing director certify that the annual report has been prepared in accordance with generally accepted accounting principles, gives a true and fair view of the parent company's position and results and that the directors ' report gives a true and fair view of The development of the parent company's operations, position and performance, and also describes the material risks and uncertainties facing the parent company. The Board of directors and the CEO also certify that the consolidated financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) as adopted by the EU, give a true and fair view of the group's position and results The directors ' report gives a fair overview of the development of the group's operations, position and results and also describes the material risks and uncertainties facing the group.

Borås on 5 March 2015

Stein Petter Ski   Margareta Adlercreutz   Rocky af Ekenstam Brennicke
Chairman   *Director*   *Director*

Ingemar Charleson   Mats Holgerson   Christel Kinning
Director   *Director*   *Director*

Liv Forhaug   Peder Larsson
Director   *Managing Director*

Our audit report has been delivered on 5 March 2015.
Ernst & Young AB

Erik Åström
Authorized Public Accountant

Revisionsberättelse

To the annual general meeting of Hemtex AB (publ)
Org.nr 556132-7056

Report on the annual accounts and consolidated accounts

We have carried out an audit of the annual accounts and consolidated accounts of Hemtex AB (publ) for the financial year 2014, which is included on pages 21-66.

Responsibility of the Board of Directors and the managing director of the annual accounts and consolidated accounts

The Board of Directors and the managing Director are responsible for the preparation of an annual report that gives a fair view in accordance with the annual Accounts Act and consolidated financial statements that give a fair view in accordance with International Financial reporting Standards, As adopted by the EU, and the Annual Accounts Act, and for the internal control that the Board of Directors and the Managing Director deem necessary for the preparation of annual accounts and consolidated accounts that do not contain material misstatement, whether These are due to irregularities or errors.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts and consolidated financial statements on the basis of our audit. We conducted the audit in accordance with International standards on auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated accounts do not contain material misstatement.

An audit involves obtaining audit evidence on the amounts and other information in the annual accounts and consolidated accounts by means of various measures. The auditor chooses the measures to be carried out, in particular by assessing the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error. In making these risk assessments, the auditor considers the elements of internal control relevant to the way in which the company prepares the annual accounts and consolidated accounts in order to give a fair view in order to design audit procedures that are appropriate for Account of the circumstances, but not with a view to making a statement on the effectiveness of the company's internal control. An audit also includes an evaluation of the effectiveness of the accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the managing Director, as well as an evaluation of the overall Presentation in the annual report and the consolidated accounts.

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

Statements

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 at 31 December 2014 and of its financial performance and cash flows Year according to 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 group's financial position as at 31 December 2014 and of its financial performance and cash flows for the year International Financial Reporting Standards, as adopted by the EU, and the annual Accounts Act. The directors ' report is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the annual general meeting adopt the Income statement and balance sheet of the parent company as well as the comprehensive income statement and balance sheet for the group.

Report on other legislative 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 president of Hemtex AB (publ) for 2014.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposed 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 on the basis of our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the board's proposed appropriation of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion on discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we have reviewed significant decisions, actions and circumstances of the company in order to assess whether any board member or the managing The Director is liable to the company. We have also examined whether any board member 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 the basis for our opinion.

Statements

We recommend that the annual general meeting treat the loss according to the proposal in the directors ' report and grant discharge to the members of the Board of Directors and the managing director for the financial year.

Borås on 5 March 2015
Ernst & Young AB
Erik Åström
Authorized Public Accountant

Flerårsöversikt

	1 January – 31 December						1 May – 30 April		
Ratios	2014[1]	2013[1]	2012[1]	2011[1]	2010[1]	2009[3]	2008/09	2007/08	2006/07
Group									
Net sales, SEK m	1 041,4	981,3	941,1	929,3	1 080,8	916,8	1 390,6	1 608,3	1 470,5
Nettoomsättningstillväxt, %	6,1	4,3	1,3	-14,0	-16,6[2]	-9,41[2]	-13,5	9,4	26,8
Bruttovinstmarginal, %	60,3	59,2	57,3	54,4	53,1	50,9	53,5	52,7	52,2
Operating income, SEK m	20,3	-8,9	-46,2	-116,5	-232,7	-148,0	-32,5	141,1	221,5
Operating margin,%	1,9	-0,9	-4,9	-12,5	-21,5	-16,1	-2,3	8,8	15,1
Profit after tax, SEK m	13,2	-16,1	-52,3	-124,6	-255,5	-121,3	-42,9	96,5	159,5
Profit margin,%	1,3	-1,6	-5,6	-13,4	-22,2	-16,5	-3,3	8,3	15,0
Return on equity,%	4,8	-5,8	-16,8	-52,5	-96,4	-48,8	-10,4	20,0	35,9
Return on capital employed,%	5,1	-2,3	-12,2	-28,5	-48,0	-36,4	-4,8	22,8	45,5
Return on operational capital,%	5,6	-2,6	-15,4	-35,4	-56,0	-40,1	-5,1	24,5	54,7
Return on total assets,%	3,5	-1,6	-7,7	-18,7	-32,9	-26,5	-3,7	16,9	32,3
Equity ratio,%	47,9	47,4	50,8	54,0	22,2	49,7	40,1	53,4	61,6
Nettoskuld/EBITDA	2,2	6,2	-3,3	0,0	-1,2	-1,2	15,8	1,0	0,1
Capital turnover rate, multiple	2,9	2,8	3,1	2,8	2,6	1,7	2,2	2,8	3,6
Investments, net, SEK m	26,9	31,1	19,6	3,8	15,9	9,0	52,9	66,4	242,8
Cash flow after investments, SEK m	-14,8	-18,9	-61,2	-105,5	-132,4	37,8	-28,9	-42,2	-43,3
Number of employees	558	553	547	609	719	768	773	757	602
Earnings per share before dilution, SEK	0,14	-0,17	-0,55	-1,57	-6,22	-3,04	-1,46	3,31	5,69
Earnings per share after dilution, SEK	0,14	-0,17	-0,55	-1,57	-6,22	-3,04	-1,46	3,31	5,47
Cash flow after investments per share, SEK	-0,15	-0,20	-0,64	-1,33	-3,22	0,95	-0,98	-1,45	-1,54
Equity per share, SEK	2,92	2,79	2,97	3,51	3,37	9,55	12,03	16,10	17,53
Dividend per share, SEK	-	-	-	-	-	-	-	2,65	4,85

[1] Refers to the calendar year.

[2] Compared with the corresponding period last year.

[3] Refers to the abbreviated financial year May 1 – December 31, 2009.

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