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# ***Halo Agency A/S***

c/o Mindshare A/S, Antonigade 4, 4., DK-1106  
Copenhagen K

## **Annual Report for 1 January - 31 December 2018**

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CVR No 13 99 17 07

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
24/5 2019

Lars Petersen  
Chairman of the General  
Meeting

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# **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Halo Agency A/S for the financial year 1 January - 31 December 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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

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

Copenhagen, 24 May 2019

## **Executive Board**

Henrik Christopher Halvorsen

## **Board of Directors**

Rune Wilhelmsen  
Chairman

Kaja Birkeland Blaker

Henrik Christopher Halvorsen

# Independent Auditor's Report

To the Shareholder of Halo Agency A/S

## Opinion

We have audited the Financial Statements of Halo Agency A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibilities for the Financial Statements

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

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

## Auditor's responsibilities for the audit of the Financial Statements

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

## **Independent Auditor's Report**

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

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

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

# Independent Auditor's Report

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 24 May 2019

**Deloitte**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 96 35 56*

Kim Takata Mücke  
State Authorized Public Accountant  
mne10944

Morten Jarlbo  
State Authorized Public Accountant  
mne33247

## **Company Information**

### **The Company**

Halo Agency A/S  
c/o Mindshare A/S  
Antonigade 4, 4.  
DK-1106 Copenhagen K

Telephone: + 45 33131433

CVR No: 13 99 17 07

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

### **Board of Directors**

Rune Wilhelmsen, Chairman  
Kaja Birkeland Blaker  
Henrik Christopher Halvorsen

### **Executive Board**

Henrik Christopher Halvorsen

### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK-2300 Copenhagen S

# **Management's Review**

## **Primary activities**

The company's activity is to operate PR related activities, such as public relations, communication advice, public affairs and marketing campaigns.

## **Development in activities and finances**

The income statement of the Company for 2018 shows a loss of TDKK 1,701, and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 1,918.

Halo Agency A/S entered into a closer strategic cooperation with Burson-Marsteller A/S, another WPP company, at the end of 2017 to enforce the agency's market position. Due to the difficult market situation in Denmark the company has not been able to reach the critical mass necessary.

Following a strategic review of the company's portfolio, the Board of Directors of Halo Agency A/S decided in June 2018 to discontinue operations and to fully close down the business by the end of 2018. The Company has no employees at December 31st, 2018. The future of the company has not yet been decided.

## **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 January - 31 December

|  | <u>Note</u> | <u>2018</u><br>TDKK | <u>2017</u><br>TDKK |
|--|-------------|---------------------|---------------------|
| <b>Gross profit/loss</b>   |             | <b>2.993</b>        | <b>7.954</b>        |
| Staff expenses   | 1           | -5.079              | -8.414              |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment |             | -44                 | -41                 |
| <b>Profit/loss before financial income and expenses</b>  |             | <b>-2.130</b>       | <b>-501</b>         |
| Financial income   | 2           | 1                   | 0                   |
| Financial expenses   |             | -51                 | -45                 |
| <b>Profit/loss before tax</b>  |             | <b>-2.180</b>       | <b>-546</b>         |
| Tax on profit/loss for the year  | 3           | 479                 | 117                 |
| <b>Net profit/loss for the year</b>  |             | <b>-1.701</b>       | <b>-429</b>         |

## Distribution of profit

### Proposed distribution of profit

|                   |  |               |             |
|-------------------|--|---------------|-------------|
| Retained earnings |  | -1.701        | -429        |
|                   |  | <b>-1.701</b> | <b>-429</b> |

## Balance Sheet 31 December

### Assets

| Note   | 2018<br>TDKK | 2017<br>TDKK |
|--|--------------|--------------|
| Other fixtures and fittings, tools and equipment | 0            | 44           |
| <b>Property, plant and equipment</b>             | <b>0</b>     | <b>44</b>    |
| Deposits   | 520          | 506          |
| <b>Fixed asset investments</b>                   | <b>520</b>   | <b>506</b>   |
| <b>Fixed assets</b>                              | <b>520</b>   | <b>550</b>   |
| Trade receivables                                | 679          | 3.878        |
| Contract work in progress                        | 0            | 198          |
| Receivables from group enterprises               | 944          | 3.010        |
| Deferred tax asset                               | 19           | 213          |
| Joint taxation contribution                      | 673          | 0            |
| Prepayments                                      | 0            | 489          |
| <b>Receivables</b>                               | <b>2.315</b> | <b>7.788</b> |
| <b>Currents assets</b>                           | <b>2.315</b> | <b>7.788</b> |
| <b>Assets</b>                                    | <b>2.835</b> | <b>8.338</b> |

# Balance Sheet 31 December

## Liabilities and equity

|  | <u>Note</u> | <u>2018</u><br>TDKK | <u>2017</u><br>TDKK |
|--|-------------|---------------------|---------------------|
| Share capital  |             | 500                 | 500                 |
| Retained earnings  |             | 1.418               | 3.119               |
| <b>Equity</b>  | 4           | <b><u>1.918</u></b> | <b><u>3.619</u></b> |
| Contract work in progress, liabilities                         |             | 0                   | 493                 |
| Payables to group enterprises                                  |             | 200                 | 1.221               |
| Corporation tax  |             | 0                   | 30                  |
| Other payables   |             | 717                 | 2.975               |
| <b>Short-term debt</b>   |             | <b><u>917</u></b>   | <b><u>4.719</u></b> |
| <b>Debt</b>  |             | <b><u>917</u></b>   | <b><u>4.719</u></b> |
| <b>Liabilities and equity</b>                                  |             | <b><u>2.835</u></b> | <b><u>8.338</u></b> |
| Contingent assets, liabilities and other financial obligations | 5           |                     |                     |
| Related parties  | 6           |                     |                     |
| Accounting Policies  | 7           |                     |                     |

## Statement of Changes in Equity

|                              | <u>Share capital</u><br>TDKK | <u>Retained<br/>earnings</u><br>TDKK | <u>Total</u><br>TDKK |
|------------------------------|------------------------------|--------------------------------------|----------------------|
| Equity at 1 January          | 500                          | 3.119                                | 3.619                |
| Net profit/loss for the year | 0                            | -1.701                               | -1.701               |
| <b>Equity at 31 December</b> | <b>500</b>                   | <b>1.418</b>                         | <b>1.918</b>         |

## Notes to the Financial Statements

|  | 2018         | 2017         |
|--|--------------|--------------|
|  | TDKK         | TDKK         |
| <b>1 Staff expenses</b>                              |              |              |
| Wages and salaries                                   | 4.177        | 6.982        |
| Pensions   | 579          | 699          |
| Other social security expenses                       | 73           | 218          |
| Other staff expenses                                 | 250          | 515          |
|  | <u>5.079</u> | <u>8.414</u> |
| <b>Average number of employees</b>                   | <u>8</u>     | <u>13</u>    |
| <b>2 Financial income</b>                            |              |              |
| Interest received from group enterprises             | 1            | 0            |
|  | <u>1</u>     | <u>0</u>     |
| <b>3 Tax on profit/loss for the year</b>             |              |              |
| Current tax for the year                             | -673         | 79           |
| Deferred tax for the year                            | 194          | -213         |
| Adjustment of deferred tax concerning previous years | 0            | 17           |
|  | <u>-479</u>  | <u>-117</u>  |
| <b>4 Equity</b>                                      |              |              |

The share capital consists of 500 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## Notes to the Financial Statements

|   | 2018<br>TDKK | 2017<br>TDKK |
|---|--------------|--------------|
| <b>5 Contingent assets, liabilities and other financial obligations</b> |              |              |

### Rental and lease obligations

|                                     |   |     |
|-------------------------------------|---|-----|
| Commitments under rental agreements | 0 | 500 |
|-------------------------------------|---|-----|

### Other contingent liabilities

The Company is party to a national Danish joint taxation scheme with WPP Holding Denmark A/S as the management company. Consequently, from the financial year 2013, the Company is liable for corporation taxes for the jointly taxed companies and with effect from 1 July 2012, the Company is also liable for any obligations to withhold tax at source on interest, royalties and returns for the jointly taxed companies.

## 6 Related parties

### Consolidated Financial Statements

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

| Name                                 | Place of registered office                           |
|--------------------------------------|--|
| WPP Jubilee Limited (smallest group) | 18 Upper Ground, SE1 9GL, London, England            |
| WPP Plc. (largest group)             | Hilgrove Street, St Helier, JE1 1ES, Jersey, England |

The Group Annual Report of WPP Jubilee Limited may be obtained at the office address.

The Group Annual Report of WPP Plc. may be obtained at the following adress: [www.wppinvestor.com](http://www.wppinvestor.com)

# Notes to the Financial Statements

## 7 Accounting Policies

The Annual Report of Halo Agency A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in TDKK.

### Recognition and measurement

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue is recognised in the income statement as work is performed. Revenue is recognised net of VAT, duties and sales discounts.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the sales value of the work performed.

#### Other external expenses

Other external expenses include project related costs, expenses for premises, stationery and office supplies, marketing costs and services provided by group related companies etc. This item also includes write-downs of receivables recognised in current assets.

#### Gross profit/loss

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

#### Staff expenses

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for the Entity staff.

#### Amortisation, depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment is calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

#### Other operating income

Other operating income comprise income for gains on the sale of property, plant and equipment.

#### Financial income and expenses

Financial income comprises interest income, including interest income on receivables from group enterprises and net gains on transactions in foreign currencies.

Financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net losses on transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.



# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish WPP companies. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance Sheet

### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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

|  |         |
|--|---------|
| Other fixtures and fittings, tools and equipment | 3 years |
|--|---------|

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Impairment of fixed assets

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

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

### Fixed asset investments

Fixed asset investments consist of deposits.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### **Cash pool**

The Company is participating in a cash pool with other Danish WPP companies. Deposits in the cash pool are included in receivables from group enterprises. Drawings from the cash pool are included in payables with group enterprises.

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **Contract work in progress**

Contract work in progress is measured at the sales value of the work carried out at the balance sheet date.

The sales value is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Each contract in progress is recognized in the balance sheet under receivables or liabilities, depending on whether the net value, calculated as the selling price less on accounts billings, is positive or negative.

Costs of securing contracts are recognised in the income statement as incurred.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Current tax receivables and liabilities**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### **Financial debts**

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