

# JS World Media A/S

Aros Allé 1, 8000 Aarhus C

CVR no. 21 42 72 84



## Annual report 2015

Approved at the Company's annual general meeting on 31 May 2016

Chairman:



Peter V. Ekstrøm



Building a better  
working world

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of JS World Media A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 31 May 2016  
Executive Board:

  
\_\_\_\_\_  
Jens B. Stausholm  
Chairman

Board of Directors:

  
\_\_\_\_\_  
Carl Erik Skovgaard Sørensen  
Chairman  
\_\_\_\_\_  
Jens B. Stausholm  
\_\_\_\_\_  
Peter V. Ekstrøm

## Independent auditors' report

To the shareholders of JS World Media A/S

### Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of JS World Media A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

### *Management's responsibility for the consolidated financial statements and the parent company financial statements*

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

### *Auditors' responsibility*

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

### *Opinion*

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

## Independent auditors' report

### Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, 31 May 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Jes Lauritzen  
State Authorised  
Public Accountant



Morten Klarskov Larsen  
State Authorised  
Public Accountant

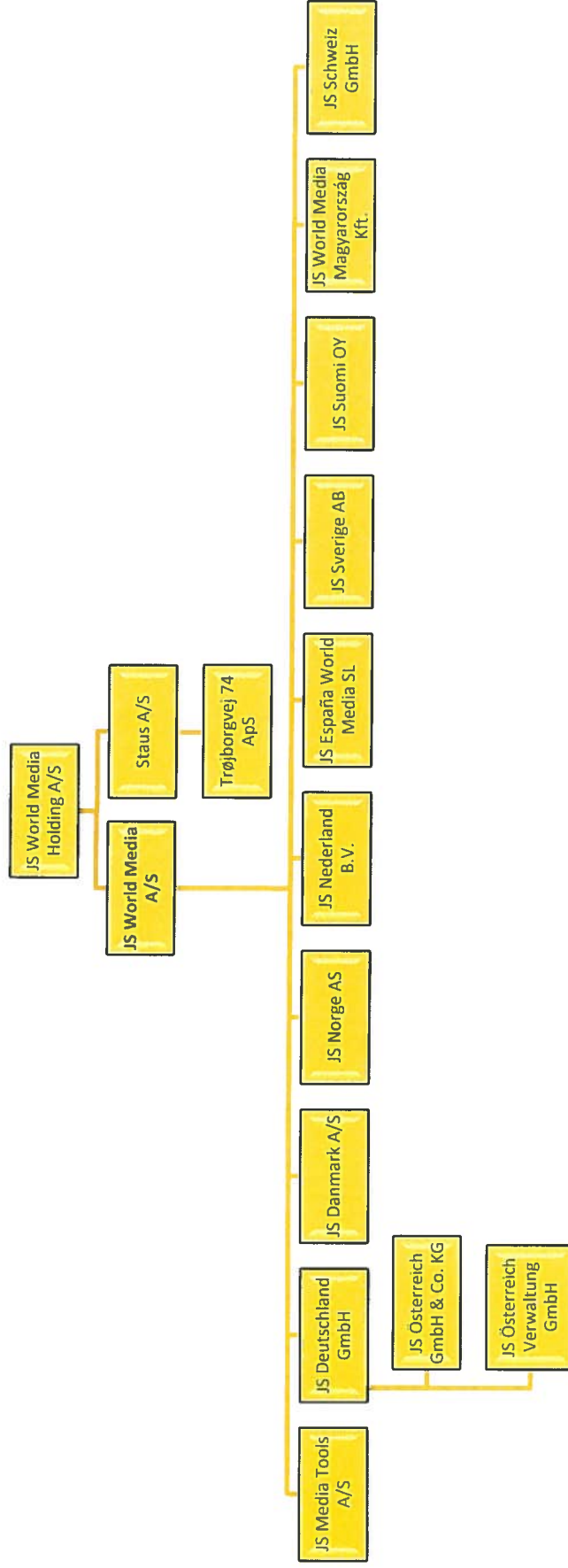
## Management's review

### Company details

Name	JS World Media A/S
Address, zip code, city	Aros Allé 1, 8000 Aarhus C
CVR no.	21 42 72 84
Established	20 November 1998
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Carl Erik Skovgaard Sørensen, Chairman Peter V. Ekstrøm Jens B. Stausholm
Executive Board	Jens B. Stausholm
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, 8000 Aarhus C

## Management's review

### Group chart





## Management's review

### Financial highlights for the Group

DKKm	2015	2014	2013	2012	2011
<b>Key figures</b>					
Revenue	318,848	284,969	286,898	277,800	270,642
Gross profit	216,572	184,728	185,093	181,285	179,550
Ordinary operating profit	37,684	15,964	26,548	27,187	38,924
Profit from financial income and expense	704	1,396	1,061	3,035	950
<b>Profit for the year</b>	<b>29,059</b>	<b>11,650</b>	<b>18,661</b>	<b>20,661</b>	<b>28,038</b>
<b>Total assets</b>					
<b>Equity</b>	<b>168,386</b>	<b>154,293</b>	<b>158,468</b>	<b>173,387</b>	<b>169,380</b>
<b>Equity</b>	<b>97,890</b>	<b>88,312</b>	<b>97,062</b>	<b>113,605</b>	<b>102,923</b>
<b>Cash flows from operating activities</b>					
Cash flows from operating activities	38,575	28,890	34,519	-4,425	8,641
<b>Net cash flows from investing activities</b>					
Net cash flows from investing activities	-5,538	-1,583	-6,528	8,524	23,768
<b>Cash flows from financing activities</b>					
Cash flows from financing activities	-20,000	-20,000	-35,000	-10,000	0
<b>Total cash flows</b>	<b>13,037</b>	<b>7,307</b>	<b>-7,009</b>	<b>-5,901</b>	<b>32,409</b>
<b>Financial ratios</b>					
Operating margin	11.8	5.6	9.3	9.8	14.4
Return on invested capital	28.0	13.3	26.5	30.2	62.8
Gross margin	67.9	64.8	64.5	65.1	66.3
Current ratio	227.9	218.8	234.2	259.7	194.6
Solvency ratio	58.1	57.2	61.3	65.5	60.2
Return on equity	31.2	12.6	17.7	19.1	31.5
<b>Average number of full-time employees</b>					
<b>Average number of full-time employees</b>	<b>490</b>	<b>403</b>	<b>352</b>	<b>345</b>	<b>330</b>





## Management's review

### Operating review

#### Principal activities of the Group

The Group's principal activities are the sale and production of brochures, magazines and introductory videos.

#### Development in activities and financial position

Consolidated income statement for 2015 shows increasing profits compared with 2014. Profit for the year came in at DKK 29,059 thousand as against a profit of DKK 11,650 thousand in 2014. The increase in profits is attributable to market conditions.

Consolidated balance sheet at 31 December 2015 showed equity of DKK 97,890 thousand (2014: 88,312 thousand).

Group management considers the results satisfactory considering existing market terms.

#### Investments

Referring to the Group's strategy, the Company invested in the development of existing and new markets and products in 2015 and will continue to do so in 2016.

#### Intellectual capital

In 2015, according to Group strategy, major investments have been made in the recruitment and training of employees to increase their skills. This investment forms part of group strategy to support the Group's future growth potential.

#### Corporate social responsibility, incl. human rights and climate

JS World Media A/S wishes to live up to legislation and rules in the countries and communities in which it operates. However, no policies for voluntary integration of corporate social responsibility as part of the Company's strategy and activities have been implemented. Consequently, no separate statement on corporate social responsibility has been issued.

#### Goals and policies regarding gender quotation on the Management Board

The Group always strives at recruiting the best suitable board members; managers and other employees irrespective of gender, race or religion. The Group's and the Company's recruitment and staff policies support this practice.

The Group has laid down a long-term strategy and goal. Board members are recruited having this in mind and therefore often have long-standing relations to the Group. In future, the Group will strive at maintaining this stability and consistency within the composition of the board.

The Board of Directors comprises three members who are elected at the annual general meeting. At present, all members are men, and consequently, the Group strives at increasing its share of women on the board through elections at coming general meetings. The goal is set to represent a 33/67 allocation in order for the gender distribution of the board to represent one person of the one gender and two persons of the other gender.

The Board of Directors and the Executive Board are always under an obligation to encourage persons of the underrepresented gender to stand for election to the Board of Directors at annual general meetings.

The goal should preferably be obtained by the end of 2017.

Other executives in the Group are defined as the Group Executive Board and other managers with staff responsibility. This group generally represents 6-8 persons. The objective of a 33/67 ratio in Management, which is rather low, is attributable to industry matters (male-dominated industry).



Today, the Executive Board and management in the JS World Media Holding Group comprise 7 persons responsible for management, of which two are women. As there were no replacements during the year, the distribution has not changed since the beginning of 2013. The Group strives at obtaining its goal via future recruitments.

#### **Outlook**

Group Management expects to report a profit for 2016 in line with 2015.

#### **Risks**

The Group is not exposed to any unusual risks.

The Group's currency risks primarily relate to foreign subsidiaries' results at year end which are translated into Danish kroner based on average exchange rates, however, the main part of the Group's foreign enterprises are domiciled in EUR countries. In general, the foreign enterprises are not affected by exchange rate fluctuations, as income and expenses are settled in local currencies.

The Group's credit risks relate to financial assets. Credit risks in relation to financial assets correspond to the values recognised in the balance sheet. The Group is not exposed to any major risks regarding one particular customer or cooperation partner.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date which may have material impact on the Group's financial position.



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Income statement

Note	DKK'000	Consolidated		Parent company	
		2015	2014	2015	2014
2	Revenue	318,848	284,969	16,208	20,730
	Production costs	-39,543	-32,263	0	-18
	Other operating income	448	337	6	39
	Other external costs	-63,181	-68,315	-5,417	-7,510
	<b>Gross profit</b>	<b>216,572</b>	<b>184,728</b>	<b>10,797</b>	<b>13,241</b>
3	Staff costs	-170,025	-158,520	-8,731	-10,833
	Depreciation and amortisation regarding property, plant and equipment and intangible assets	-8,683	-9,488	-3,688	-3,959
5	Other operating costs	-180	-756	-19	-47
	<b>Operating profit/loss</b>	<b>37,684</b>	<b>15,964</b>	<b>-1,641</b>	<b>-1,598</b>
	Share of results in subsidiaries	0	0	30,670	12,881
6	Financial income	1,081	1,594	880	1,514
7	Financial expenses	-377	-198	-436	-490
	<b>Profit before tax</b>	<b>38,388</b>	<b>17,360</b>	<b>29,473</b>	<b>12,307</b>
8	Tax on profit for the year	-9,329	-5,710	-414	-657
	<b>Profit for the year</b>	<b>29,059</b>	<b>11,650</b>	<b>29,059</b>	<b>11,650</b>

### Proposed profit appropriation

DKK'000			
	Dividends paid on account	20,000	20,000
	Proposed dividends	9,059	0
	Reserve for net revaluation according to the equity method	0	0
	Retained earnings	0	-8,350
		<b>29,059</b>	<b>11,650</b>





**Consolidated financial statements and parent company financial statements for the period 1 January - 31 December**

**Balance sheet**

Note	DKK'000	Consolidated		Parent company	
		2015	2014	2015	2014
		<b>EQUITY AND LIABILITIES</b>			
		<b>Equity</b>			
13	Share capital	558	558	558	558
	Retained earnings	88,273	87,754	88,273	87,754
	Proposed dividends	9,059	0	9,059	0
	<b>Total equity</b>	<b>97,890</b>	<b>88,312</b>	<b>97,890</b>	<b>88,312</b>
		<b>Provisions</b>			
14	Deferred tax	2,622	2,794	0	0
	<b>Total provisions</b>	<b>2,622</b>	<b>2,794</b>	<b>0</b>	<b>0</b>
		<b>Current liabilities other than provisions</b>			
	Bank loans	0	728	0	728
12	Construction contracts	20,334	19,797	0	0
	Trade payables	7,799	6,324	1,000	668
	Payables to group enterprises	3,473	0	15,445	5,075
15	Corporation tax	5,867	4,935	476	707
	Deferred income	1,183	630	0	0
	Other payables	29,218	30,773	2,693	4,953
		<b>67,874</b>	<b>63,187</b>	<b>19,614</b>	<b>12,131</b>
	<b>Total liabilities other than provisions</b>	<b>70,496</b>	<b>65,981</b>	<b>19,614</b>	<b>12,131</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>168,386</b>	<b>154,293</b>	<b>117,504</b>	<b>100,443</b>

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- 17 Contractual obligations and contingencies, etc.
- 18 Mortgages and collateral
- 19 Related party disclosures
- 20 Changes in working capital



**Consolidated financial statements and parent company financial statements for the period 1 January - 31 December**

**Statement of changes in equity**

DKK'000	Consolidated			Total
	Share capital	Retained earnings	Proposed dividends	
<b>Equity at 1 January 2014</b>	558	96,504	0	97,062
Transferred via profit appropriation	0	11,650	0	11,650
Foreign exchange adjustments, foreign subsidiaries	0	-400	0	-400
Dividends	0	-20,000	0	-20,000
<b>Equity at 1 January 2015</b>	558	87,754	0	88,312
Transferred via profit appropriation	0	20,000	9,059	29,059
Foreign exchange adjustments, foreign subsidiaries	0	519	0	519
Dividends	0	-20,000	0	-20,000
<b>Equity at 31 December 2015</b>	<b>558</b>	<b>88,273</b>	<b>9,059</b>	<b>97,890</b>

DKK'000	Parent company			Total
	Share capital	Retained earnings	Proposed dividends	
<b>Equity at 1 January 2014</b>	558	96,504	0	97,062
Transferred via profit appropriation	0	11,650	0	11,650
Foreign exchange adjustments, foreign subsidiaries	0	-400	0	-400
Dividends	0	-20,000	0	-20,000
<b>Equity at 1 January 2015</b>	558	87,754	0	88,312
Transferred via profit appropriation	0	20,000	9,059	29,059
Foreign currency translation adjustments, foreign subsidiaries	0	519	0	519
Dividends	0	-20,000	0	-20,000
<b>Equity at 31 December 2015</b>	<b>558</b>	<b>88,273</b>	<b>9,059</b>	<b>97,890</b>



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Cash flow statement

Note	DKK'000	Consolidated	
		2015	2014
	Revenue	318,848	284,969
	Costs	-272,749	-259,098
	Cash generated from operations (operating activities) before changes in working capital	46,099	25,871
20	Changes in working capital	-1,656	10,163
	Cash generated from operations (operating activities)	44,443	36,034
	Net interest received and paid	696	1,391
	Cash generated from operations (ordinary activities)	45,139	37,425
	Corporation tax paid	-6,564	-8,535
	<b>Cash flows from operating activities</b>	<b>38,575</b>	<b>28,890</b>
	Acquisition of property, plant and equipment	-6,426	-3,619
	Disposal of property, plant and equipment	888	2,036
	<b>Cash flows from investing activities</b>	<b>-5,538</b>	<b>-1,583</b>
	Shareholders:		
	Dividends paid	-20,000	-20,000
	<b>Cash flows from financing activities</b>	<b>-20,000</b>	<b>-20,000</b>
	<b>Net cash flows from operating, investing and financing activities</b>	<b>13,037</b>	<b>7,307</b>
	Cash and cash equivalents at 1 January	38,768	31,860
	Foreign exchange adjustments	107	-399
	<b>Cash and cash equivalents at 31 December</b>	<b>51,912</b>	<b>38,768</b>

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of JS World Media A/S for 2015 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

#### Consolidated financial statements

The consolidated financial statements comprise the parent company, JS World Media A/S, and subsidiaries in which JS World Media A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on the disposal of subsidiaries are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.





## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

##### Income statement

###### Revenue

Revenue is recognised in the income statement provided that delivery and transfer of risk in the form of magazine production to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT, and taxes charged on behalf of third parties.

Construction contracts are recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Hosting fee is recognised in the income statement for the part relating to the current financial year. The remaining share is accrued over the term of the licence.

###### Other external costs

External costs comprise costs of production, distribution, selling, advertising, administration, premises, bad debts, operating leases, etc.

###### Other operating income

Other operating income comprises items secondary to the principal activities of the enterprises.

###### Profit/loss from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme etc.

##### Tax on profit/loss for the year

The enterprise is comprised by the Danish rules on compulsory joint taxation of the JS World Media Holding A/S Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

The current Danish corporation tax is allocated by the settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

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

##### Balance sheet

##### Intangible assets

###### *Goodwill*

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 10 years.

###### *Concept rights*

Concept rights are amortised over their estimated useful lives. Concept rights are amortised on a straight-line basis over a maximum amortisation period of 10 years.

###### *Software*

Software is measured at cost less accumulated amortisation and impairment losses.

Software is amortised on a straight-line basis over the expected useful life. The amortisation period is five years.



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Property, plant and equipment

Fixtures and fittings, other plant and equipment as well as aircraft are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is calculated as cost less any residual value after the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Fixtures and fittings, other plant and equipment 3-5 years

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

##### Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of JS World Media A/S are not recognised in the reserve for net revaluation.

##### Impairment of assets

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

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets.



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. Write-down is made for bad debt losses based on an individual assessment.

##### Construction contracts

Construction contracts are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual construction contracts are recognised in the balance sheet under either receivables or payables. Net assets are determined as the sum of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of construction contracts where progress billings exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

##### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

##### Equity

##### *Reserve for net revaluation according to the equity method*

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

##### *Dividends*

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

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



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

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

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Liabilities

Financial liabilities are recognised at net realisable value.

#### Deferred income

Deferred income comprises payments received concerning income in subsequent years.

#### Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

#### Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

#### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

#### Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less, which are freely negotiable into cash, and which are subject to an insignificant risk of changes in value.



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Results for analytical purposes	Profit from ordinary activities after tax
Return on equity	$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$



**Consolidated financial statements and parent company financial statements for the period 1 January - 31 December**

DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
<b>2 Revenue</b>				
Scandinavia	145,763	140,429	10,598	14,171
Central Europe	149,961	125,927	4,819	5,571
Southern Europe	23,124	18,613	791	988
	<u>318,848</u>	<u>284,969</u>	<u>16,208</u>	<u>20,730</u>
<b>3 Staff costs</b>				
Wages and salaries	141,181	132,593	7,999	10,181
Pensions	4,473	4,026	467	528
Other social security costs	22,231	19,424	59	25
Other staff costs	2,140	2,477	206	99
	<u>170,025</u>	<u>158,520</u>	<u>8,731</u>	<u>10,833</u>
Average number of full-time employees	<u>490</u>	<u>403</u>	<u>12</u>	<u>14</u>

Remuneration of the parent company Executive Board of DKK 3,851 thousand are included in staff costs.



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

	Consolidated		Parent company	
	2015	2014	2015	2014
DKK'000				
<b>4 Fees paid to auditors appointed at the annual general meeting</b>				
Total fees	481	470	158	194
Audit services	336	288	95	92
Tax advisory services	30	34	0	4
Non-audit services	115	148	63	98
	481	470	158	194
<b>5 Depreciation and amortisation</b>				
Concept rights	802	802	0	0
Goodwill	3,783	4,914	2,973	3,086
Software	51	71	0	0
Fixtures and fitting, other plant and equipment	4,047	3,701	715	873
	8,683	9,488	3,688	3,959
<b>6 Financial income</b>				
Interest income from subsidiaries	777	1,389	860	1,503
Other interest income, foreign exchange gains, etc.	304	205	20	11
	1,081	1,594	880	1,514
<b>7 Financial expenses</b>				
Interest expense to subsidiaries	129	0	316	353
Other interest expense, foreign exchange losses, etc.	248	198	120	137
	377	198	436	490
<b>8 Tax on profit for the year</b>				
Current tax for the year	8,145	6,186	476	707
Adjustment of deferred tax	1,448	-476	-62	-50
Adjustment in respect of previous years	-264	0	0	0
	9,329	5,710	414	657





**Consolidated financial statements and parent company financial statements for the period 1 January - 31 December**

**Notes to the financial statements**

**9 Intangible assets**

DKK'000	Consolidated			
	Concept rights	Goodwill	Software	Total
Cost at 1 January 2015	23,172	38,968	333	62,473
Cost at 31 December 2015	23,172	38,968	333	62,473
Amortisation at 1 January 2015	22,370	32,747	274	55,391
Amortisation	802	3,783	51	4,636
Amortisation at 31 December 2015	23,172	36,530	325	60,027
Carrying amount at 31 December 2015	0	2,438	8	2,446
Amortised over	10 years	10 years	5 years	

DKK'000	Parent company	
	Goodwill	Total
Cost at 1 January 2015	30,863	30,863
Cost at 31 December 2015	30,863	30,863
Amortisation at 1 January 2015	27,890	27,890
Amortisation	2,973	2,973
Amortisation at 31 December 2015	30,863	30,863
Carrying amount at 31 December 2015	0	0
Amortised over	10 years	



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 10 Property, plant and equipment

DKK'000	Consoli- dated	Parent company
	Fixtures and fittings, other plant, etc.	Fixtures and fittings, other plant, etc.
Cost at 1 January 2015	28,075	4,611
Foreign exchange adjustments at 1 January	-105	0
Additions	6,426	330
Disposals	-4,281	-128
Cost at 31 December 2015	<u>30,115</u>	<u>4,813</u>
Depreciation at 1 January 2015	19,872	3,014
Adjustments at 1 January	-410	0
Foreign exchange adjustments at 1 January	-143	0
Depreciation	4,047	715
Disposals	-3,661	-109
Depreciation at 31 December 2015	<u>19,705</u>	<u>3,620</u>
Carrying amount at 31 December 2015	<u>10,410</u>	<u>1,193</u>
Depreciated over	<u>3-5 years</u>	<u>3-5 years</u>

DKK'000	Parent company	
	2015	2014
<b>11 Investments in subsidiaries</b>		
Cost at 1 January	53,567	53,339
Additions during the year	138	228
Disposals during the year	-86	0
Cost at 31 December	<u>53,619</u>	<u>53,567</u>
Value adjustments at 1 January	-11,493	-5,285
Foreign exchange adjustments	534	-394
Distributed dividends	-20,970	-18,695
Profit for the year	30,670	12,881
Offset in receivables	176	0
Disposals during the year	1,018	0
Value adjustments at 31 December	<u>-65</u>	<u>-11,493</u>
Carrying amount at 31 December	<u>53,554</u>	<u>42,074</u>



## Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 11 Investments in subsidiaries (continued)

The carrying amount at 31 December 2015 comprised goodwill of DKK 2,438 thousand. (2014: DKK 3,248 thousand).

Name	Registered office	Voting rights and ownership
JS Media Tools A/S	Denmark	100%
JS Danmark A/S	Denmark	100%
JS Norge AS	Norway	100%
JS Sverige AB	Sweden	100%
JS Suomi OY	Finland	100%
JS Deutschland GmbH	Germany	100%
JS Österreich GmbH & Co. KG	Germany	100%
JS Österreich Verwaltungs-GmbH	Germany	100%
JS Nederland B.V.	Holland	100%
JS España World Media SL	Spain	100%
JS Schweiz GmbH	Switzerland	100%
JS World Media Magyarország Kft.	Hungary	100%

All subsidiaries are considered separate entities.

DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
<b>12 Construction contracts</b>				
Selling price of work performed	52,962	51,816	0	0
Progress billings	-70,279	-67,470	0	0
	<u>-17,317</u>	<u>-15,654</u>	<u>0</u>	<u>0</u>
recognised as follows:				
Construction contracts (assets)	3,017	4,143	0	0
Construction contracts (liabilities)	-20,334	-19,797	0	0
	<u>-17,317</u>	<u>-15,654</u>	<u>0</u>	<u>0</u>

#### 13 Share capital

The share capital comprises 558,334 shares at a nominal value of DKK 1. The share capital is not divided into classes.

Share capital for the past five years is specified as follows:

DKK'000	2015	2014	2013	2012	2011
Balance at 1 January	558	558	558	558	558
	<u>558</u>	<u>558</u>	<u>558</u>	<u>558</u>	<u>558</u>



## Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

### Notes to the financial statements

DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
<b>14 Deferred tax</b>				
Deferred tax at 1 January	-216	-1,896	283	233
Adjustment of deferred tax	-1,448	476	62	50
Adjustment in respect of previous years	-24	1,209	0	0
Foreign exchange adjustments	-11	-5	0	0
<b>Deferred tax at 31 December</b>	<b>-1,699</b>	<b>-216</b>	<b>345</b>	<b>283</b>
Deferred tax relates to:				
Deferred tax asset (assets)	923	2,578	345	283
Deferred tax (provisions)	-2,622	-2,794	0	0
	<b>-1,732</b>	<b>-216</b>	<b>345</b>	<b>283</b>
DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
<b>15 Corporation tax</b>				
Corporation tax at 1 January	-4,015	-5,203	-707	-1,148
Current tax for the year	-8,145	-6,186	-476	-707
Corporation tax paid during the year	6,564	7,330	707	1,148
Foreign exchange adjustments	6	44	0	0
Adjustment in respect of previous years	264	0	0	0
<b>Corporation tax at 31 December</b>	<b>-5,326</b>	<b>-4,015</b>	<b>-476</b>	<b>-707</b>
Corporation tax relates to:				
Corporation tax receivable (assets)	541	920	0	0
Corporation tax (liabilities)	-5,867	-4,935	-476	-707
	<b>-5,326</b>	<b>-4,015</b>	<b>-476</b>	<b>-707</b>

### 16 Treasury shares

Treasury shares comprise 25,000 shares at a nominal value of DKK 25 thousand, corresponding to 4.48% of the share capital (2014: 4.48%).



## Consolidated financial statements and parent company financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 17 Contractual obligations and contingencies, etc.

##### *Consolidated*

The Company is jointly taxed with the other group companies. The Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. The jointly taxed companies' net liabilities to SKAT are disclosed in the financial statements of the administrative company, JS World Media Holding A/S, CVR no. 33 77 09 52. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, interest and royalties may entail that the Company's liability will increase

Lease obligations relate to rent, licence fees and lease of vehicles totalling DKK 29,195 thousand (2014: DKK 25,593 thousand).

##### *Parent company*

Lease obligations relate to rent, licence fees and lease of vehicles totalling DKK 6,768 thousand (2014: DKK 3,777 thousand).

#### 18 Mortgages and collateral

##### *Parent company*

The Company has provided guarantee for JS Danmark A/S' balance with the company's bankers.

The Company has provided a guarantee to third parties for a total of DKK 3,000 thousand.

#### 19 Related party disclosures

JS World Media A/S' related parties comprise the following:

##### **Control**

JS World Media Holding A/S, who is the principal shareholder.

##### **Other related parties with whom the Company has had transactions**

Subsidiaries, see note 10, the parent company, JS World Media Holding A/S and the affiliated company Staus A/S.

##### **Ownership**

The following shareholder is registered in the Company's register of shareholders as holding at least 5% of the voting rights or at least 5% of the share capital:

JS World Media Holding A/S  
Aros Allé 1  
8000 Aarhus C



## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK'000	Consolidated	
	2015	2014
<b>20 Changes in working capital</b>		
Changes in receivables and construction contracts	424	-2,518
Changes in balances with group enterprises	-3,091	5,529
Changes in trade and other payables	1,011	7,152
	<u>1,656</u>	<u>10,163</u>