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# ***Techedge ApS***

Dampfærgevej 3, 4., DK-2100

## **Annual Report for 1 January - 31 December 2021**

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CVR No 25 57 37 30

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
24/6 2022

Søren Holmberg Andersen  
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 Techedge ApS for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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.

København, 24 June 2022

## **Executive Board**

Søren Holmberg Andersen  
CEO

## **Board of Directors**

Keld Lunda Nielsen  
chairman

Søren Holmberg Andersen

Manish Bhatia

# Independent Auditor's Report

To the Shareholders of Techedge ApS

## Opinion

We have audited the Financial Statements of Techedge ApS for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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.

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

# Independent Auditor's Report

audit. We also:

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

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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 re-

# Independent Auditor's Report

quired 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 June 2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 96 35 56*

Nikolaj Thomsen

statsautoriseret revisor

mne33276

## **Company Information**

### **The Company**

Techedge ApS  
Dampfærgevej 3, 4.  
DK-2100

CVR No: 25 57 37 30  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen Ø

### **Board of Directors**

Keld Lunda Nielsen  
chairman  
Søren Holmberg Andersen  
Manish Bhatia

### **Executive Board**

Søren Holmberg Andersen

### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK-2300 København S

## Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	58.555	88.051	82.576	76.466	71.074
Operating profit/loss	35.416	59.950	58.468	55.287	51.330
Profit/loss before financial income and expenses	35.416	59.950	58.468	54.827	51.034
Net financials	86.418	47.875	46.827	31.521	25.621
Net profit/loss for the year	112.118	95.091	91.810	73.966	65.539
<b>Balance sheet</b>					
Balance sheet total	349.878	383.103	285.016	265.952	102.597
Equity	305.475	362.689	268.552	254.598	73.916
Investment in property, plant and equipment	-1.439	-1.488	-4.685	-2.259	-662
Number of employees	24	23	22	22	22
<b>Ratios</b>					
Return on assets	10,1%	15,6%	20,5%	20,6%	49,7%
Solvency ratio	87,3%	94,7%	94,2%	95,7%	72,0%
Return on equity	33,6%	30,1%	35,1%	45,0%	85,8%



# Management's Review

## Key activities

The company's primary activity is development of software and related activities.

## Development in the year

The income statement of the Company for 2021 shows a profit of DKK 112.118.017 and at 31 December 2021 the balance sheet of the Company shows equity of DKK 305.474.603.

The Company finds the growth and profit for the year to be satisfying and is in line with expectations for the year. The positive development is attributed to growth attributed to previous years investments in non-linear data reporting and diligent.

## Expectations for 2022

Management expects 2022 profits to be higher than 2021, estimated 3% to 5%, even challenged by market consolidation for especially Broadcasters. We by opposite see projects are coming back post Covid 19, as software and data hosting become increasingly important parts of the audience measurement business.

Management expects the company to invest in several new initiatives during the 2nd half of 2022, some of which will be conducted in collaboration with Kantar Media, others are conducted with external parties. These initiatives are expected to generate a positive financial effect in 2022 and beyond.

## Intellectual capital resources

The Company possesses knowledge of the industry- and the market which enables the Company and its organization to operate efficiently in the sector for software development. This knowledge is maintained on an ongoing basis by gathering relevant information and by improving the skills and qualifications of the staff.

The staff and its experience are vital to the management and further development of the Company and Management therefore makes efforts to maintain the staff by continuously organizing and developing the organization for it to be an attractive place to work.

## 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

	Note	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>58.555.230</b>	<b>88.050.865</b>
Staff expenses	1	-21.163.360	-26.320.779
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-1.975.875	-1.779.831
<b>Profit/loss before financial income and expenses</b>		<b>35.415.995</b>	<b>59.950.255</b>
Income from investments in subsidiaries		78.025.745	50.006.271
Financial income	3	8.887.251	4.671.569
Financial expenses	4	-494.793	-6.802.667
<b>Profit/loss before tax</b>		<b>121.834.198</b>	<b>107.825.428</b>
Tax on profit/loss for the year	5	-9.716.180	-12.734.127
<b>Net profit/loss for the year</b>		<b>112.118.018</b>	<b>95.091.301</b>

## Balance Sheet 31 December

### Assets

	Note	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		2.500.610	3.037.303
<b>Property, plant and equipment</b>	6	<b>2.500.610</b>	<b>3.037.303</b>
Investments in subsidiaries	7	232.642.055	196.334.357
Deposits	8	667.797	648.631
<b>Fixed asset investments</b>		<b>233.309.852</b>	<b>196.982.988</b>
<b>Fixed assets</b>		<b>235.810.462</b>	<b>200.020.291</b>
Trade receivables		4.747.511	4.095.678
Receivables from group enterprises		73.001.845	160.187.833
Other receivables		92.904	49.223
Deferred tax asset	11	321.255	177.025
Corporation tax		3.648.921	1.951.661
Prepayments	9	983.673	310.577
<b>Receivables</b>		<b>82.796.109</b>	<b>166.771.997</b>
<b>Cash at bank and in hand</b>		<b>31.271.780</b>	<b>16.311.093</b>
<b>Currents assets</b>		<b>114.067.889</b>	<b>183.083.090</b>
<b>Assets</b>		<b>349.878.351</b>	<b>383.103.381</b>

# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Share capital		621.118	621.118
Reserve for net revaluation under the equity method		97.825.210	61.517.512
Retained earnings		207.028.274	130.550.802
Proposed dividend for the year		<u>0</u>	<u>170.000.000</u>
<b>Equity</b>		<b><u>305.474.602</u></b>	<b><u>362.689.432</u></b>
Trade payables		1.243.203	1.709.920
Payables to group enterprises		37.601.162	4.704.065
Corporation tax		812.550	2.843.929
Other payables		1.820.923	8.646.066
Deferred income	12	<u>2.925.911</u>	<u>2.509.969</u>
<b>Short-term debt</b>		<b><u>44.403.749</u></b>	<b><u>20.413.949</u></b>
<b>Debt</b>		<b><u>44.403.749</u></b>	<b><u>20.413.949</u></b>
<b>Liabilities and equity</b>		<b><u>349.878.351</u></b>	<b><u>383.103.381</u></b>
Distribution of profit	10		
Contingent assets, liabilities and other financial obligations	13		
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## Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	621.118	61.517.512	130.550.802	170.000.000	362.689.432
Ordinary dividend paid	0	0	0	-170.000.000	-170.000.000
Exchange adjustments relating to foreign entities	0	667.153	0	0	667.153
Dividend from group enterprises	0	-42.385.200	42.385.200	0	0
Net profit/loss for the year	0	78.025.745	34.092.272	0	112.118.017
<b>Equity at 31 December</b>	<b>621.118</b>	<b>97.825.210</b>	<b>207.028.274</b>	<b>0</b>	<b>305.474.602</b>

# Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>1 Staff expenses</b>		
Wages and salaries	20.556.571	25.815.237
Other social security expenses	160.102	148.141
Other staff expenses	446.687	357.401
	<u><b>21.163.360</b></u>	<u><b>26.320.779</b></u>
<b>Average number of employees</b>	<u><b>24</b></u>	<u><b>23</b></u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
<b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Depreciation of property, plant and equipment	1.975.875	1.779.831
	<u><b>1.975.875</b></u>	<u><b>1.779.831</b></u>
<b>3 Financial income</b>		
Interest received from group enterprises	8.363.057	4.492.893
Exchange gains	524.194	178.676
	<u><b>8.887.251</b></u>	<u><b>4.671.569</b></u>
<b>4 Financial expenses</b>		
Interest paid to group enterprises	38.265	4.160.292
Other financial expenses	454.035	250.875
Exchange loss	2.493	2.391.500
	<u><b>494.793</b></u>	<u><b>6.802.667</b></u>

## Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	9.812.550	12.843.930
Deferred tax for the year	-144.230	-109.819
Adjustment of tax concerning previous years	47.860	16
	<u><b>9.716.180</b></u>	<u><b>12.734.127</b></u>
<b>6 Property, plant and equipment</b>		Other fixtures and fittings, tools and equipment
		<u>DKK</u>
Cost at 1 January		8.700.600
Additions for the year		<u>1.439.183</u>
Cost at 31 December		<u>10.139.783</u>
Impairment losses and depreciation at 1 January		5.663.298
Depreciation for the year		<u>1.975.875</u>
Impairment losses and depreciation at 31 December		<u>7.639.173</u>
<b>Carrying amount at 31 December</b>		<u><b>2.500.610</b></u>
Depreciated over		<u>3-5 years</u>

## Notes to the Financial Statements

	2021 DKK	2020 DKK
<b>7 Investments in subsidiaries</b>		
Cost at 1 January	134.816.845	134.816.845
Cost at 31 December	134.816.845	134.816.845
Value adjustments at 1 January	61.517.512	51.249.153
Exchange adjustment	667.153	-954.232
Net profit/loss for the year	88.066.108	60.046.634
Dividend to the Parent Company	-42.385.200	-38.783.680
Amortisation of goodwill	-10.040.363	-10.040.363
Value adjustments at 31 December	97.825.210	61.517.512
<b>Carrying amount at 31 December</b>	<b>232.642.055</b>	<b>196.334.357</b>
Positive differences arising on initial measurement of subsidiaries at net asset value	130.955.862	130.955.862

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Techedge America Inc.	FL Miami	1.057.920	100%
Techedge UK	Taunton	868	100%
Techedge Asia Pacific, Singapore Pte. Ltd.	Singapore	366	100%
Techedge Iberia S.L	Barcelona	9.295.989	100%

## 8 Other fixed asset investments

	Deposits DKK
Cost at 1 January	657.797
Additions for the year	10.000
Cost at 31 December	667.797
<b>Carrying amount at 31 December</b>	<b>667.797</b>



# Notes to the Financial Statements

## 9 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance, subscriptions etc.

	<u>2021</u> DKK	<u>2020</u> DKK
<b>10 Distribution of profit</b>		
Proposed dividend for the year	0	170.000.000
Reserve for net revaluation under the equity method	78.025.746	50.006.271
Retained earnings	<u>34.092.272</u>	<u>-124.914.970</u>
	<b><u>112.118.018</u></b>	<b><u>95.091.301</u></b>

## 11 Deferred tax asset

Deferred tax asset at 1 January	177.025	67.206
Amounts recognised in the income statement for the year	<u>144.230</u>	<u>109.819</u>
<b>Deferred tax asset at 31 December</b>	<b><u>321.255</u></b>	<b><u>177.025</u></b>

## 12 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	<u>2021</u> DKK	<u>2020</u> DKK
<b>13 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.440.407	1.324.692
Between 1 and 5 years	<u>908.997</u>	<u>2.282.502</u>
	<b><u>2.349.404</u></b>	<b><u>3.607.194</u></b>
<b>Other contingent liabilities</b>		

# Notes to the Financial Statements

## 14 Related parties

### Basis

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#### **Controlling interest**

Taylor Nelson Sofres B.V., Netherlands

#### **Transactions**

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

#### **Consolidated Financial Statements**

The company is included in the consolidated report for the parent company

<u>Name</u>	<u>Place of registered office</u>
Kantar Global Holdings S.à r.l.	4, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg
Taylor Nelson Sofres B.V.	Laan op Zuid 167, 3072 DB Rotterdam, Netherland

Copies of the financial statements of Kantar Global Holdings S.à r.l. are available from Kantar Global Holdings S.à r.l. at its registered office in Luxembourg, from the Luxembourg Registre de Commerce et des Sociétés(RCS) and from the investor relations section of the Kantar.com website.

# Notes to the Financial Statements

## 15 Accounting Policies

The Annual Report of Techedge ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Taylor Nelson Sofres B.V., the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Taylor Nelson Sofres B.V., the Company has not prepared a cash flow statement.

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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.

### 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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue from the sale licenses is recognised in the income statement based on license period. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises cost of licenses, consultants and other cost directly associated with the company's primary activities.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report. Gross profit or loss comprises revenue, license cost, and external expenses.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses, social security contributions, pension contributions.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

### Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Balance Sheet

### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated 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.

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	3-5	years
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# Notes to the Financial Statements

## 15 Accounting Policies (continued)

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Estimated useful lives and residual values are reassessed annually.

### **Impairment of fixed assets**

The carrying amounts of property, plant and equipment are 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.

### **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### **Other fixed asset investments**

Other fixed asset investments consist of deposits.

### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### Equity

#### *Dividend*

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

#### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

#### **Financial debts**

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

#### **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.

## **Financial Highlights**

### **Explanation of financial ratios**

## Notes to the Financial Statements

### 15 Accounting Policies (continued)

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