

---

# ***Google Denmark ApS***

Sankt Petri Passage 5, 2., DK-1165 København K

## **Annual Report for 1 January - 31 December 2017**

---

CVR No 28 86 69 84

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on

29/5 2018



Chairman

Niels Bang

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	8
Balance Sheet 31 December	9
Statement of Changes in Equity	11
Notes to the Financial Statements	12

## Management's Statement

The Executive Board has today considered and adopted the Annual Report of Google Denmark ApS for the financial year 1 January - 31 December 2017.

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 2017 of the Company and of the results of the Company operations for 2017.

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, 29 May 2018

### Executive Board



David Munro Sneddon



Nancy Mable Walker

# Independent Auditor's Report

To the Shareholder of Google Denmark ApS

## Opinion

We have audited the financial statements of Google Denmark ApS for the financial year 1 January - 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

## 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 as to 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 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

## Independent Auditor's Report

the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and 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 note 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 the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the

## **Independent Auditor's Report**

financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen,

**Ernst & Young**

Godkendt Revisionspartnerselskab

*CVR No 30 70 02 28*



Karsten Mehlsen

statsautoriseret revisor

mne18453

## **Company Information**

### **The Company**

Google Denmark ApS  
Sankt Petri Passage 5, 2.  
DK-1165 København K

CVR No: 28 86 69 84

Financial period: 1 January - 31 December

Municipality of reg. office: København

### **Executive Board**

David Munro Sneddon  
Nancy Mable Walker

### **Auditors**

Ernst & Young  
Godkendt Revisionspartnerselskab  
Osvold Helmuths Vej 4  
DK-2000 Frederiksberg

### **Bankers**

Citibank  
Hedegaardsvej 88, 1.  
2300 København S

## Financial Highlights

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

	2017 TDKK	2016 TDKK	2015 TDKK	2014 TDKK	2013 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	227.102	209.832	166.168	152.867	131.994
Operating profit/loss	18.106	16.512	13.097	12.005	10.695
Net financials	-503	-212	-428	-172	-77
Net profit/loss for the year	13.249	12.331	9.407	8.747	7.546
<b>Balance sheet</b>					
Balance sheet total	155.554	135.412	105.427	90.111	70.609
Equity	77.938	64.690	52.359	42.952	34.205
Investment in property, plant and equipment	30.648	34.481	6.176	2.893	2.358
Number of employees	87	77	68	64	57
<b>Ratios</b>					
Profit margin	8,0%	7,9%	7,9%	7,9%	8,1%
Return on assets	11,6%	12,2%	12,4%	13,3%	15,1%
Solvency ratio	50,1%	47,8%	49,7%	47,7%	48,4%
Return on equity	18,6%	21,1%	19,7%	22,7%	24,8%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.



## **Management's Review**

### **Key activities**

Google Denmark ApS is engaged in the provision of marketing services to Google Ireland Limited and the provision of research and development services to Google LLC.

### **Development in the year**

The income statement of the Company for 2017 shows a profit of DKK 13,248,725, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 77,938,453.

### **The past year and follow-up on development expectations from last year**

The company has no plans or intention to restructure, reorganize or dispose of any assets other than those reflected in these financial statements, which could materially affect the book value or the classification of assets and liabilities, presentation of the income statement or which should be disclosed in these accounts or the directors report. There are no future changes anticipated in the business of the company at this time.

### ***Operating risks***

As a provider of marketing services to Google Ireland Limited and research and development services to Google LLC., the Company's principal risks and uncertainties relate to scaling back its operations due to a reduction in demand for its services. The demand for its services would be impacted by the principal risks and uncertainties faced by Google Ireland Limited and Google LLC., namely:

- These businesses face intense competition. If they do not continue to innovate and provide products and services that are useful to users, they may not remain competitive, and their revenues and operating results could be adversely affected.
- These businesses generate their revenues almost entirely from advertising, and the reduction in spending by or loss of advertisers could seriously harm them.
- A variety of new and existing U.S. and foreign laws could subject these businesses to claims or otherwise harm them.

### **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	2017 DKK	2016 DKK
<b>Revenue</b>		<b>227.102.208</b>	<b>209.832.424</b>
Other external expenses		<u>-62.758.173</u>	<u>-74.105.617</u>
<b>Gross profit/loss</b>		<b>164.344.035</b>	<b>135.726.807</b>
Staff expenses	1	-136.310.559	-113.784.025
Depreciation and impairment of property, plant and equipment		<u>-9.927.123</u>	<u>-5.430.480</u>
<b>Profit before financial income and expenses</b>		<b>18.106.353</b>	<b>16.512.302</b>
Financial income	2	49.810	13.047
Financial expenses	3	<u>-553.300</u>	<u>-225.023</u>
<b>Profit before tax</b>		<b>17.602.863</b>	<b>16.300.326</b>
Tax on profit/loss for the year	4	<u>-4.354.138</u>	<u>-3.969.804</u>
<b>Net profit/loss for the year</b>		<b><u>13.248.725</u></b>	<b><u>12.330.522</u></b>

## Balance Sheet 31 December

### Assets

	Note	2017 DKK	2016 DKK
Other fixtures and fittings, tools and equipment		10.420.819	7.566.677
Leasehold improvements		48.857.428	513.964
Property, plant and equipment in progress		192.856	30.669.343
<b>Property, plant and equipment</b>	5	<b>59.471.103</b>	<b>38.749.984</b>
Deposits		2.233.534	2.228.206
Other receivables		1.936.000	3.158.000
<b>Fixed asset investments</b>	6	<b>4.169.534</b>	<b>5.386.206</b>
<b>Fixed assets</b>		<b>63.640.637</b>	<b>44.136.190</b>
Receivables from group enterprises		2.882.518	634.822
Other receivables		3.760.836	7.723.635
Deferred tax asset	9	2.648.340	3.206.378
Corporation tax		0	1.242.186
Corporation tax receivable from group enterprises		422.488	0
Prepayments		2.633.846	2.275.079
<b>Receivables</b>		<b>12.348.028</b>	<b>15.082.100</b>
<b>Cash at bank and in hand</b>		<b>79.565.320</b>	<b>76.193.997</b>
<b>Currents assets</b>		<b>91.913.348</b>	<b>91.276.097</b>
<b>Assets</b>		<b>155.553.985</b>	<b>135.412.287</b>

## Balance Sheet 31 December

### Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		750.000	750.000
Retained earnings		77.188.453	63.939.728
<b>Equity</b>	<b>7</b>	<b>77.938.453</b>	<b>64.689.728</b>
Other provisions		20.251.203	4.321.203
<b>Provisions</b>		<b>20.251.203</b>	<b>4.321.203</b>
Deferred income		533.282	0
<b>Long-term debt</b>	<b>10</b>	<b>533.282</b>	<b>0</b>
Trade payables		15.749.230	35.121.065
Payables to group enterprises		6.912.019	0
Corporation tax		927.350	0
Payables to group enterprises relating to corporation tax		0	265.923
Other payables		32.949.941	31.014.368
Deferred income	10	292.507	0
<b>Short-term debt</b>		<b>56.831.047</b>	<b>66.401.356</b>
<b>Debt</b>		<b>57.364.329</b>	<b>66.401.356</b>
<b>Liabilities and equity</b>		<b>155.553.985</b>	<b>135.412.287</b>
Distribution of profit	8		
Contingent assets, liabilities and other financial obligations	11		
Related parties	12		
Accounting Policies	13		

## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
<b>2017</b>			
Equity at 1 January	750.000	63.939.728	64.689.728
Net profit/loss for the year	<u>0</u>	<u>13.248.725</u>	<u>13.248.725</u>
<b>Equity at 31 December</b>	<b><u>750.000</u></b>	<b><u>77.188.453</u></b>	<b><u>77.938.453</u></b>
<b>2016</b>			
Equity 1. januar	750.000	51.609.206	52.359.206
Net profit/loss for the year	<u>0</u>	<u>12.330.522</u>	<u>12.330.522</u>
<b>Equity at 31 December</b>	<b><u>750.000</u></b>	<b><u>63.939.728</u></b>	<b><u>64.689.728</u></b>

## Notes to the Financial Statements

	2017 DKK	2016 DKK
<b>1 Staff expenses</b>		
Wages and salaries	113.967.058	98.635.893
Pensions	8.629.769	7.378.337
Other staff expenses	13.713.732	7.769.795
	<b>136.310.559</b>	<b>113.784.025</b>
<b>Average number of employees</b>	<b>87</b>	<b>77</b>
<p>The directors receive remuneration in respect of their services to the Company from other group companies. The cost of the services that they provide to the Company cannot be separately identified.</p>		
<b>2 Financial income</b>		
Other financial income	0	13.047
Exchange adjustments	49.810	0
	<b>49.810</b>	<b>13.047</b>
<b>3 Financial expenses</b>		
Other financial expenses	458.898	143.920
Exchange adjustments, expenses	94.402	81.103
	<b>553.300</b>	<b>225.023</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	3.756.698	3.996.837
Deferred tax for the year	558.038	-22.199
Adjustment of tax concerning previous years	39.402	-4.834
	<b>4.354.138</b>	<b>3.969.804</b>

## Notes to the Financial Statements

### 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK
Cost at 1 January	27.744.234	12.734.003	30.669.343
Additions for the year	7.416.219	23.039.861	192.162
Disposals for the year	-333.846	0	0
Transfers for the year	0	30.668.649	-30.668.649
Cost at 31 December	<u>34.826.607</u>	<u>66.442.513</u>	<u>192.856</u>
Impairment losses and depreciation at 1 January	20.177.557	12.220.039	0
Depreciation for the year	4.562.077	5.365.046	0
Reversal of impairment and depreciation of sold assets	-333.846	0	0
Impairment losses and depreciation at 31 December	<u>24.405.788</u>	<u>17.585.085</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>10.420.819</u></b>	<b><u>48.857.428</u></b>	<b><u>192.856</u></b>

### 6 Fixed asset investments

	Deposits	Other receiv- ables
	DKK	DKK
Cost at 1 January	2.228.206	3.158.000
Additions for the year	5.328	0
Disposals for the year	0	-1.222.000
Cost at 31 December	<u>2.233.534</u>	<u>1.936.000</u>
<b>Carrying amount at 31 December</b>	<b><u>2.233.534</u></b>	<b><u>1.936.000</u></b>

### 7 Equity

The share capital consists of 750 shares of a nominal value of DKK 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

	<u>2017</u> DKK	<u>2016</u> DKK
<b>8 Distribution of profit</b>		
Retained earnings	13.248.725	12.330.522
	<b><u>13.248.725</u></b>	<b><u>12.330.522</u></b>
<b>9 Deferred tax asset</b>		
Property, plant and equipment	-1.697.675	-2.255.713
Inventories	0	-951.000
Provisions	-950.665	-950.665
Tax loss carry-forward	0	951.000
Transferred to deferred tax asset	2.648.340	3.206.378
	<b><u>0</u></b>	<b><u>0</u></b>
<b>Deferred tax asset</b>		
Calculated tax asset	2.648.340	3.206.378
<b>Carrying amount</b>	<b><u>2.648.340</u></b>	<b><u>3.206.378</u></b>

## 10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

### Deferred income

Between 1 and 5 years	533.282	0
Long-term part	533.282	0
Short-term part	292.507	0
	<b><u>825.789</u></b>	<b><u>0</u></b>



## Notes to the Financial Statements

	2017 DKK	2016 DKK
<b>11 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
The Company has entered into two rental agreements, the longest agreement has a period of nonterminability of 6 months.	2.552.050	2.865.132

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Google Denmark is the management company of the joint taxation group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

## 12 Related parties

### Basis

#### Controlling interest

Google International LLC, USA  
Alphabet Inc., USA

Parent Company  
Ultimate Parent Company

#### Ownership

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

Google International LLC  
2711 Centerville Road, Suite 400, Wilmington  
Delaware 19808  
USA

# Notes to the Financial Statements

## 12 Related parties (continued)

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the ultimate Parent Company

Name	Place of registered office
Alphabet Inc.	USA

The Group Annual Report of Alphabet Inc. may be obtained at the following address:

1600 Amphitheatre Parkway, Mountain View,  
California 94043,  
USA  
[Investor.google.com](http://Investor.google.com)

## Notes to the Financial Statements

### 13 Accounting Policies

The Annual Report of Google Denmark ApS for 2017 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 2017 are presented in DKK.

#### 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 Alphabet Inc., the Company has not prepared a cash flow statement.

#### Recognition and measurement

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 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.

#### 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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.

## **Notes to the Financial Statements**

### **13 Accounting Policies (continued)**

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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### **Other external expenses**

Other external expenses comprise cost relating to advertising, administration, premises, operating lease expenses and similar expenses.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

### **Amortisation, depreciation and impairment losses**

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

### **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.

# Notes to the Financial Statements

## 13 Accounting Policies (continued)

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### 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	16 months - 5 years
Leasehold improvements	7 years

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of fixed assets 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.

### Fixed asset investments

Fixed asset investments consist of deposits and long term receivables.

### 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 subsequent financial reporting years.

## Notes to the Financial Statements

### 13 Accounting Policies (continued)

#### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

#### 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.

## Financial Highlights

### Explanation of financial ratios

Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$

## Notes to the Financial Statements

### 13 Accounting Policies (continued)

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$