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# ***World Fuel Services (Denmark) ApS***

Torvebyen 8, 1.th, DK-4600 Køge

## **Annual Report for 1 January - 31 December 2016**

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CVR No 30 59 33 75

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

1 2017

  
Chairman



**pwc**

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## Management's Statement

The Executive Board has today considered and adopted the Annual Report of World Fuel Services (Denmark) ApS for the financial year 1 January - 31 December 2016.

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 2016 of the Company and of the results of the Company operations for 2016.

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.

Køge, 21 June 2017

**Executive Board**

  
Anders Grønberg

Richard D. McMichael

# Independent Auditor's Report

To the Shareholder of World Fuel Services (Denmark) ApS

## Report on the Financial Statements

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of World Fuel Services (Denmark) ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

### Basis for opinion

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

### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

# Independent Auditor's Report

## **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 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.

## Independent Auditor's Report

- 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.

### Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

#### Violation of the Danish Criminal Code and non-compliance with Danish tax legislation

During the year, the Company has reported incorrect VAT to the Danish Tax Authorities, Management may incur liability.

#### Non-compliance with the Danish accounting legislation

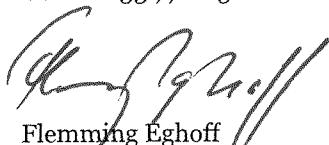
Contrary to section 10 of the Danish Bookkeeping Act, the Company has kept its accounting records abroad; consequently, Management may incur liability.

Hellerup, 21 June 2017

#### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Flemming Eghoff  
statsautoriseret revisor



Claus Damhave  
statsautoriseret revisor

## Company Information

### The Company

World Fuel Services (Denmark) ApS  
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DK-4600 Køge

Telephone: + 45 56 78 82 00

Facsimile: + 45 56 78 82 22

E-mail: [ttsdk@wfscorp.com](mailto:ttsdk@wfscorp.com)

CVR No: 30 59 33 75

Financial period: 1 January - 31 December

Municipality of reg. office: Køge

### Executive Board

Anders Grønborg  
Richard D. McMichael

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Lawyers

Rønne & Lundgren  
Tuborg Havnevej 19  
DK- 2900 Hellerup

### Bankers

Nordea Bank Danmark A/S  
Axeltorv 2  
4700 Næstved

## Financial Highlights

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

	2016	2015	2014	2013	2012
	TUSD	TUSD	TUSD	TUSD	TUSD
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	35.318	38.814	42.876	35.905	42.583
Gross profit/loss	3.248	3.523	3.845	2.250	4.733
Profit/loss before financial income and expenses	1.216	1.408	1.429	393	2.103
Net financials	-391	233	176	-87	73
Net profit/loss for the year	675	1.417	1.273	191	1.621
<b>Balance sheet</b>					
Balance sheet total	12.862	10.076	9.884	8.189	10.519
Equity	8.984	8.309	6.892	5.619	7.429
Investment in property, plant and equipment	0	0	0	0	2
Number of employees	12	12	8	9	9
<b>Ratios</b>					
Gross margin	9,2%	9,1%	9,0%	6,3%	11,1%
Profit margin	3,4%	3,6%	3,3%	1,1%	4,9%
Return on assets	9,5%	14,0%	14,5%	4,8%	20,0%
Solvency ratio	69,8%	82,5%	69,7%	68,6%	70,6%
Return on equity	7,8%	18,6%	20,4%	2,9%	24,5%

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**

The Company, incorporated in Denmark, is a wholly-owned subsidiary of WFS Danish Holding Company I ApS, which is incorporated in Denmark. The "Ultimate Parent Undertaking" is World Fuel Services Corporation, incorporated in the state of Florida, in the United States of America. The Company's principal activities are that of oil brokering and bunkering of marine fuel in the shipping industry. The Company primarily acts as a reseller of fuel and fuel-related products.

## **Development in the year**

The income statement of the Company for 2016 shows a profit of USD 675,214, and at 31 December 2016 the balance sheet of the Company shows equity of USD 8,984,126.

## **Special risks - operating risks and financial risks**

### ***Operating risks***

The Company is exposed to price risk to the extent that we enter into fixed price fuel purchase and/or sale commitment contracts. The Company has no fixed price purchase and/or sales commitment contracts as at 31 December 2016.

### ***Market risks***

There has been a substantial tightening of the global credit markets recently, which could adversely affect the Company's ability to obtain credit as and when needed on commercially reasonable terms or at all and, consequently, could have a negative impact on future development and growth. Further, the economic environment could adversely impact customer operations and liquidity and therefore the ability of the Company to realise amounts extended to customers given the Company's unsecured creditor status.

### ***Foreign exchange risks***

The financial risk management of the Company is handled by the ultimate holding company as part of the operations of World Fuel Services Corporation's Group. The financial risk processes and policies are described in the financial statements of the ultimate holding company.

### ***Interest rate risks***

The Company has no exposure to interest rate risk.

## Management's Review

### *Credit risks*

Credit risk is managed on a Company basis. Credit risk arises from cash and cash at bank as well as credit exposures to customers, including outstanding debtors and committed transactions.

As at 31 December 2016, the Company has cash at bank and in hand of \$1,572.098 (2015: \$809.519) held at financial institutions. The Company reviews the banks and financial institutions holding deposits for acceptability given availability of banking institutions in each location.

We have exposure to the marine fuel industries as well as to our customers and suppliers in those industries. We have credit standards and perform credit evaluations of our customers and suppliers, which are based in part on our credit history with the applicable party.

The Company also has exposure to credit risk through the extension of unsecured credit to customers in the normal course of business. The Company performs credit evaluations, which are based in part on credit history with the applicable party. The credit evaluations may be inaccurate and there is no assurance that credit performance will not be materially worse than anticipated, and, as a result, materially affect the business, financial position and results of operations. Diversification of credit risk is limited because the Company sells primarily within the marine industry. The Company's exposure to credit losses will depend on the financial condition of customers and other factors beyond the control of the Company, such as deteriorating conditions in the world economy or in the marine industry, political instability, terrorist activities, military action and natural disasters in our market areas.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables as presented on the balance sheet. The Company does not hold any collateral as security.

The allowance for impairment of trade debtors established by the Company is based on an analysis of the credit risk profile of each individual customer as well as other market and economic factors.

### **External environment**

The environmental laws of the markets in which the Company operates are often unclear and subject to interpretation and frequent change. The Company strives to comply with applicable laws and regulation at any time and to reduce the environmental impact of its business.

### **Intellectual capital resources**

It is important for the Company's continued growth and development to be able to attract and retain well-educated labour, including employees specialised in logistics and fuel. This necessitates a high competence level, and the Company uses the necessary resources for ensuring continued development of competencies of its employees, as well as retention.

## **Management's Review**

### **Unusual events**

The financial position at 31 December 2016 of the Company and the results of the activities of the Company for the financial year for 2016 have not been affected by any unusual events.

## Income Statement 1 January - 31 December

	Note	2016 USD	2015 USD
<b>Revenue</b>		<b>35.317.584</b>	<b>38.813.640</b>
Expenses for raw materials and consumables		-31.353.116	-34.535.323
Other external expenses		-716.797	-755.627
<b>Gross profit/loss</b>		<b>3.247.671</b>	<b>3.522.690</b>
Staff expenses	1	-2.027.219	-2.109.714
Depreciation of property, plant and equipment		-4.072	-5.170
<b>Resultat før finansielle poster</b>		<b>1.216.380</b>	<b>1.407.806</b>
Financial income		180.355	297.734
Financial expenses		-571.102	-64.914
<b>Resultat før skat</b>		<b>825.633</b>	<b>1.640.626</b>
Tax on profit/loss for the year	2	-150.419	-223.986
<b>Net profit/loss for the year</b>		<b>675.214</b>	<b>1.416.640</b>

## Balance Sheet 31 December

### Assets

	Note	2016 USD	2015 USD
Other fixtures and fittings, tools and equipment		2.568	6.399
Leasehold improvements		178	419
<b>Tangible assets</b>	3	<b>2.746</b>	<b>6.818</b>
Deposits		35.536	35.637
<b>Financial fixed assets</b>	4	<b>35.536</b>	<b>35.637</b>
<b>Fixed assets</b>		<b>38.282</b>	<b>42.455</b>
Trade receivables		3.157.287	1.442.268
Receivables from group enterprises		7.876.022	7.767.990
Other receivables		63.082	0
Deferred tax asset	5	150.910	4.766
Prepayments		4.690	9.142
<b>Receivables</b>		<b>11.251.991</b>	<b>9.224.166</b>
<b>Cash at bank and in hand</b>		<b>1.572.098</b>	<b>809.519</b>
<b>Currents assets</b>		<b>12.824.089</b>	<b>10.033.685</b>
<b>Assets</b>		<b>12.862.371</b>	<b>10.076.140</b>

## Balance Sheet 31 December

### Liabilities and equity

	Note	2016 USD	2015 USD
Share capital		22.661	22.661
Retained earnings		8.961.465	8.286.251
<b>Equity</b>		<b>8.984.126</b>	<b>8.308.912</b>
Deferred bonuses		7.153	20.838
<b>Long-term debt</b>	7	<b>7.153</b>	<b>20.838</b>
Deferred bonuses	7	35.469	40.324
Trade payables		3.343.146	1.096.165
Corporation tax		178.686	296.770
Other payables		313.791	313.131
		<b>3.871.092</b>	<b>1.746.390</b>
<b>Debt</b>		<b>3.878.245</b>	<b>1.767.228</b>
<b>Liabilities and equity</b>		<b>12.862.371</b>	<b>10.076.140</b>
Distribution of profit	6		
Contingent assets, liabilities and other financial obligations	8		
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## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	USD	USD	USD
Equity at 1 January	22.661	8.286.251	8.308.912
Net profit/loss for the year	0	675.214	675.214
<b>Equity at 31 December</b>	<b>22.661</b>	<b>8.961.465</b>	<b>8.984.126</b>

## Notes to the Financial Statements

	2016 USD	2015 USD	
<b>1 Staff expenses</b>			
Wages and salaries	1.855.869	1.972.685	
Pensions	106.036	90.923	
Other staff expenses	65.314	46.106	
	<u>2.027.219</u>	<u>2.109.714</u>	
<b>Including remuneration to the Executive Board</b>	<u>202.751</u>	<u>311.360</u>	
<b>Average number of employees</b>	<u>12</u>	<u>12</u>	
<b>2 Tax on profit/loss for the year</b>			
Current tax for the year	248.490	365.164	
Deferred tax for the year	-146.144	28.614	
Adjustment of tax concerning previous years	48.073	-169.792	
	<u>150.419</u>	<u>223.986</u>	
<b>3 Tangible assets</b>			
	Other fixtures and fittings, tools and equipment USD	Leasehold improvements USD	Total USD
Cost at 1 January	<u>99.478</u>	<u>1.678</u>	<u>101.156</u>
Cost at 31 December	<u>99.478</u>	<u>1.678</u>	<u>101.156</u>
Depreciation at 1 January	93.079	1.259	94.338
Depreciation for the year	3.831	241	4.072
Depreciation at 31 December	<u>96.910</u>	<u>1.500</u>	<u>98.410</u>
<b>Carrying amount at 31 December</b>	<u>2.568</u>	<u>178</u>	<u>2.746</u>



## Notes to the Financial Statements

### 4 Financial fixed assets

	Deposits USD
Cost at 1 January	35.637
Disposals for the year	-101
Cost at 31 December	<u>35.536</u>
<b>Carrying amount at 31 December</b>	<b><u>35.536</u></b>

	2016 USD	2015 USD
<b>5 Deferred tax asset</b>		
Property, plant and equipment	-3.415	-7.546
Accrued expenses	-147.495	2.780
Transferred to deferred tax asset	150.910	4.766
	<u>0</u>	<u>0</u>

Deferred tax has been provided at 22% corresponding to the current tax rate.

#### Deferred tax asset

Calculated tax asset	150.910	4.766
<b>Carrying amount</b>	<b><u>150.910</u></b>	<b><u>4.766</u></b>

The deferred tax asset is estimated to be utilized in the forthcoming 1- 3 years.

### 6 Distribution of profit

Retained earnings	675.214	1.416.640
	<u>675.214</u>	<u>1.416.640</u>

## Notes to the Financial Statements

### 7 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:

	<u>2016</u> USD	<u>2015</u> USD
<b>Deferred bonuses</b>		
Between 1 and 5 years	7.153	20.838
Long-term part	7.153	20.838
Within 1 year	35.469	40.324
	<u><b>42.622</b></u>	<u><b>61.162</b></u>

### 8 Contingent assets, liabilities and other financial obligations

#### Contingent liabilities

The rental contract is non-cancellable for 44 months and the total commitment amounts to USD 292k.

The company is jointly taxed with WFS's group's other Danish jointly taxed companies. The company has solidary liability for corporate income tax, withholding taxes on dividends, royalty tax and interest on the jointly taxed income, etc. for the joint taxation with WFS Danish Holding Company I ApS as the administration company.

# Notes to the Financial Statements

## 9 Related parties

	<u>Basis</u>
<b>Controlling interest</b>	
WFS Danish Holding Company I ApS, Denmark	Shareholder

### Transactions

There are no interest on intercompany balances.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of

<u>Name</u>	<u>Place of registered office</u>
World Fuel Services Corporation	Miami, Florida, USA

The Group Annual Report of World Fuel Services Corporation may be obtained at the following address:

9800 N.W. 41 st street, Suite 400  
Miami FL33178

## 10 Subsequent events

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

# Notes to the Financial Statements

## 11 Accounting Policies

The Annual Report of World Fuel Services (Denmark) ApS for 2016 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 2016 are presented in USD.

### 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 World Fuel Services Corporation, 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.

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

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

# Notes to the Financial Statements

## 11 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.

### Income Statement

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

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

#### Expenses for consumables

Expenses for consumables comprise the consumables consumed to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of tangible assets.

### Financial income and expenses

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

### Extra ordinary income and expenses

Extra ordinary income and expenses comprise income and expenses resulting from events or transactions which clearly differ from ordinary activities and which are not expected to be of a recurring nature.

### 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.

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

## Balance Sheet

### Tangible assets

Tangible assets 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	3-7	years
Leasehold improvements	7	years

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### **Impairment of fixed assets**

The carrying amounts of tangible 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.

### **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, subscriptions and similar costs.

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **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, including the tax base of tax loss carry-forwards, 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.

### **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.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Financial debts

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

### Financial Highlights

#### Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$