
Select Service Partner Denmark A/S

Lufthavnsboulevarden 14, 1., DK-2770 Kastrup

Annual Report for 1 October 2017 - 30 September 2018

CVR No 71 75 05 15

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
7 /2 2019

Morten Solberg Nilsen
Chairman

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 October - 30 September	9
Balance Sheet 30 September	10
Statement of Changes in Equity	12
Notes to the Financial Statements	13

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Select Service Partner Denmark A/S for the financial year 1 October 2017 - 30 September 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2018 of the Company and of the results of the Company operations for 2017/18.

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.

Kastrup, 7 February 2019

Executive Board

Morten Solberg Nilsen

Board of Directors

Nicholas Suart Inkster
Chairman

Omar Attar

Morten Solberg Nilsen

Independent Auditor's Report

To the Shareholder of Select Service Partner Denmark A/S

Opinion

We have audited the Financial Statements of Select Service Partner Denmark A/S for the financial year 1 October 2017 - 30 September 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2018 and of the results of the Company's operations for the financial year 1 October 2017 - 30 September 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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.

København, 7 February 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

Morten Høgh-Petersen

statsautoriseret revisor

mne34283

Company Information

The Company

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Lufthavnsboulevarden 14, 1.
DK-2770 Kastrup

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Facsimile: + 45 32 48 32 99

E-mail: ssp@ssp.dk

Website: www.ssp.dk

CVR No: 71 75 05 15

Financial period: 1 October - 30 September

Incorporated: 30 December 1982

Municipality of reg. office: Tårnby

Board of Directors

Nicholas Suart Inkster, Chairman

Omar Attar

Morten Solberg Nilsen

Executive Board

Morten Solberg Nilsen

Auditors

KPMG

Statsautoriseret Revisionspartnerselskab

Dampfærgevej 28

DK-2100 København Ø

Financial Highlights

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

	2017/18 TDKK	2016/17 TDKK	2015/16 TDKK	2014/15 TDKK	2013/14 TDKK
Key figures					
Profit/loss					
Revenue	578.880	611.158	611.154	580.617	547.805
Gross profit/loss	183.157	226.344	208.993	208.079	180.950
Profit/loss before financial income and expenses	11.346	41.637	13.709	16.910	4.755
Net financials	-225	630	-1.285	353	-1.716
Net profit/loss for the year	7.811	27.011	9.559	17.522	3.039
Balance sheet					
Balance sheet total	153.322	174.880	142.736	204.911	185.565
Equity	83.517	75.706	48.695	39.136	21.614
Investment in property, plant and equipment	-1.934	-3.477	-5.083	-32.808	-19.094
Number of employees	410	435	462	507	480
Ratios					
Gross margin	31,6%	37,0%	34,2%	35,8%	33,0%
Profit margin	2,0%	6,8%	2,2%	2,9%	0,9%
Solvency ratio	54,5%	43,3%	34,1%	19,1%	11,6%
Return on equity	9,8%	43,4%	21,8%	57,7%	15,1%

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

Main activity

The company's main activity is the operation of bars, cafes, cafeterias, restaurants and kiosks at Copenhagen Airport. In addition, there is an operation of cafes in Copenhagen Central Station, In total the company operates 28 departments including six lounges.

Development in the year

The income statement of the Company for 2017/18 shows a profit of TDKK 7,811, and at 30 September 2018 the balance sheet of the Company shows equity of TDKK 83,517.

Targets and expectations for the year ahead

An increase in the number of passengers is expected in Copenhagen Airport. This is expected to have a positive impact on the company's activity level and earnings in the coming financial year. The contract with Aarhus airport has been extended beyond September 2018 and will contribute positively to the results.

In connection with management's strategy, there is an increased focus on business areas outside Copenhagen Airport. There will be a focus in the coming year on increasing activities in locations that are not directly connected to travel hubs.

Research and development

The company does not carry out systematic research, but it continually adjusts the company's proprietary products and the business concepts in the individual sales outlets. Costs related to this are expensed on an ongoing basis.

External environment

In connection with an ever-increasing focus on the surrounding environment, the company has continuously exchanged individual refrigeration plants and, for example, joined the Copenhagen Airport A / S central refrigeration plant. Furthermore, the company focuses on continuously replacing incandescent bulbs for LEDs.

We carry out our activities with a high focus on our environment and stakeholders and with constant focus on minimizing the environmental impacts of our business. At present, we follow group policies since local Danish policies have not been introduced with regard to our impact on the climate, human rights and the environment in general.

Intellectual capital resources

It is essential for Select Service Partner Denmark A/S's continued operations to attract and retain well-educated staff who understand how to best service our guests. In this connection, the company also offers training programs for individuals.

Management's Review

Statement of corporate social responsibility

In connection with recruitment, gender, age and cultural backgrounds are ignored, as emphasis is placed on real skills, and if they are present, there is equal opportunity for all. We do not compile reports around the employees' background, which is why we are unable to report on this.

Food safety and quality are crucial for Select Service Partner Denmark A / S. There is increasing emphasis on quality, food safety and product hygiene from various sources, including guests, the press and authorities. Thus, in the financial year, significant amounts were incurred, as in previous years. It is important that all products are produced under the same food safety conditions and under the same quality system, regardless of which restaurant or cafe is involved. The company's self-control program, which guarantees high food safety, is implemented in all our units. This has resulted in more units having achieved the company's goal of EliteSmiley. In addition, the company has a food specialist specializing in this area.

Select Service Partner Denmark A/S has not developed formal policies to CSR, including climate, environment and human rights, cf. 99 a of the Danish Financial Statements Act. Therefore, we referred to the consolidated financial statements published by the company's ultimate owner SSP Group plc in the Group's annual report for 2016/17 (p. 23 to 25). The Group's report can be found on the website: <http://investors.foodtravelexperts.com/investors/reports-and-presentations/2018.aspx>

Statement on gender composition

In Select Service Partner Denmark A / S, members are elected to the Board of Directors and the other management roles based on competencies. The Board recognizes the value of diversity in relation to experience, culture, education and gender.

At the current stage we have 3 members of the Board, of whom 1 member is a female. Therefore, according to the 99b requirements we don't need to set additional targets for the underrepresented gender in the Board.

At the current stage we have 7 members of the management team, of whom 3 members are female. Therefore, according to the 99b requirements we don't need to set additional targets for the underrepresented gender in the Board.

Subsequent events

There have been no events after the balance sheet date, which are material enough to be reported in the annual report.

Income Statement 1 October - 30 September

	Note	2017/18 TDKK	2016/17 TDKK
Revenue		578.880	611.158
Other operating income		26.162	20.808
Expenses for raw materials and consumables		-202.745	-201.336
Other external expenses		-219.140	-204.286
Gross profit/loss		183.157	226.344
Staff expenses	1	-155.112	-167.772
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-16.699	-16.935
Profit/loss before financial income and expenses		11.346	41.637
Financial income	2	953	1.210
Financial expenses	3	-1.178	-580
Profit/loss before tax		11.121	42.267
Tax on profit/loss for the year	4	-3.310	-15.256
Net profit/loss for the year		7.811	27.011

Balance Sheet 30 September

Assets

	Note	2017/18 TDKK	2016/17 TDKK
Acquired patents		192	288
Intangible assets	5	192	288
Other fixtures and fittings, tools and equipment		1.855	1.261
Leasehold improvements		15.904	30.149
Property, plant and equipment in progress		2.722	0
Property, plant and equipment	6	20.481	31.410
Fixed assets		20.673	31.698
Inventories		8.978	11.259
Trade receivables		29.667	30.216
Receivables from group enterprises		69.242	76.283
Other receivables		9.207	9.726
Deferred tax asset	10	5.619	5.123
Prepayments	7	8.003	8.523
Receivables		121.738	129.871
Cash at bank and in hand		1.933	2.052
Currents assets		132.649	143.182
Assets		153.322	174.880

Balance Sheet 30 September

Liabilities and equity

	Note	2017/18 TDKK	2016/17 TDKK
Share capital		1.000	1.000
Retained earnings		82.517	74.706
Equity	8	83.517	75.706
Other provisions	11	3.145	4.142
Provisions		3.145	4.142
Trade payables		46.565	58.880
Payables to group enterprises		1.873	22
Corporation tax		0	18.877
Payables to group enterprises relating to corporation tax		2.962	0
Other payables		15.260	17.253
Short-term debt		66.660	95.032
Debt		66.660	95.032
Liabilities and equity		153.322	174.880
Distribution of profit	9		
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Accounting Policies	15		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 October	1.000	74.706	75.706
Net profit/loss for the year	0	7.811	7.811
Equity at 30 September	1.000	82.517	83.517

Notes to the Financial Statements

	<u>2017/18</u>	<u>2016/17</u>
	TDKK	TDKK
1 Staff expenses		
Wages and salaries	133.954	143.226
Pensions	17.862	18.863
Other social security expenses	1.169	3.128
Other staff expenses	2.127	2.555
	<u>155.112</u>	<u>167.772</u>
Average number of employees	<u>410</u>	<u>435</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

There is no remuneration paid to the Board of Directors.

The company's management team is subject to a constant bonus scheme under which the criteria for payment is the development in revenue and profit before depreciation (EBITDA) in relation to the budget.

2 Financial income

Interest received from group enterprises	0	700
Other financial income	266	24
Exchange adjustments	687	486
	<u>953</u>	<u>1.210</u>

Notes to the Financial Statements

	<u>2017/18</u>	<u>2016/17</u>
	TDKK	TDKK
3 Financial expenses		
Interest paid to group enterprises	281	22
Other financial expenses	602	479
Exchange loss	295	79
	<u>1.178</u>	<u>580</u>
4 Tax on profit/loss for the year		
Current tax for the year	2.962	7.786
Deferred tax for the year	-496	2.558
Adjustment of tax concerning previous years	844	4.912
	<u>3.310</u>	<u>15.256</u>
5 Intangible assets		
		Acquired pa- tents <u>TDKK</u>
Cost at 1 October		2.385
Additions for the year		1.017
Transfers for the year		249
Cost at 30 September		<u>3.651</u>
Impairment losses and amortisation at 1 October		2.097
Amortisation for the year		1.362
Impairment losses and amortisation at 30 September		<u>3.459</u>
Carrying amount at 30 September		<u>192</u>

Notes to the Financial Statements

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 October	43.066	123.843	0
Additions for the year	1.247	687	2.722
Transfers for the year	0	-249	0
Cost at 30 September	<u>44.313</u>	<u>124.281</u>	<u>2.722</u>
Impairment losses and depreciation at 1 October	41.805	93.694	0
Depreciation for the year	653	14.683	0
Impairment losses and depreciation at 30 September	<u>42.458</u>	<u>108.377</u>	<u>0</u>
Carrying amount at 30 September	<u>1.855</u>	<u>15.904</u>	<u>2.722</u>

7 Prepayments

Prepayments consist of prepaid expenses concerning rent and other prepaid expenses.

8 Equity

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

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

9 Distribution of profit

	2017/18 TDKK	2016/17 TDKK
Retained earnings	7.811	27.011
	<u>7.811</u>	<u>27.011</u>

10 Deferred tax asset

Deferred tax asset at 1 October	5.123	7.681
Amounts recognised in the income statement for the year	496	-2.558
Deferred tax asset at 30 September	<u>5.619</u>	<u>5.123</u>

Notes to the Financial Statements

	<u>2017/18</u>	<u>2016/17</u>
	TDKK	TDKK
11 Other provisions		
Other provisions consists of reestablishment expenses and rent obligation in relation to closed stores.		
Other provisions	3.145	4.142
	<u>3.145</u>	<u>4.142</u>

12 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	25.938	77.505
Between 1 and 5 years	59.326	1.893
	<u>85.264</u>	<u>79.398</u>

The company has lease agreements that includes a minimum fee with Københavns Lufthavn A/S. The agreements can be terminated by Select Service Partner Denmark A/S with a notice of 3-48 months.

	85.264	77.327
Lease obligations (operational lease), period of non-terminability 5 years	0	2.071

Guarantee obligations

The company has provided ordinary bank guarantees towards its landlords.	44.603	47.646
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Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SSP Denmark Financing ApS, which is the management company of the joint taxation purposes. 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 un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

13 Related parties

	<u>Basis</u>
Controlling interest	
SSP Denmark Financing ApS Lufthavnsboulevarden 14, 1., 2770 Kastrup, Danmark	Parent company

Other related parties

Other enterprises within the SSP Group Plc.

Transactions

Purchase of services from a subsidiary FY 18: TDKK 16,683

Payables to associates and subsidiaries are disclosed in the balance sheet, and expensed interest is disclosed in note 2 and 3.

Consolidated Financial Statements

The Company is included in the Group Annual Report of:

<u>Name</u>	<u>Place of registered office</u>
SSP Group Plc.	England

The Group Annual Report of SSP Group Plc. may be obtained at the following address:

169 Euston Road, NW1 2AE London, England

14 Fee to auditors appointed at the general meeting

With reference to section 96(3) of the Danish Financial Statements Act, information in relation to fee's to auditors has been excluded, Select Service Partner Denmark A/S is included in the consolidated financial statements of SSP Group Plc. where the information for the whole group is included.

Notes to the Financial Statements

15 Accounting Policies

The Annual Report of Select Service Partner Denmark A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017/18 are presented in TDKK.

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 SSP Group Plc., 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 impairment losses.

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

15 Accounting Policies (continued)

Leases

All other leases are considered operational leases. Services relating to operating leases and other lease agreements are recognized in the income statement over the term of the contract. The company's total liability relating to operating leases and lease agreements is disclosed under contingent liabilities.

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.

Income Statement

Revenue

Net sales represent invoiced and delivered sales excluding VAT.

The Annual Report excludes segment information pursuant to section 96 of the Danish Financial Statements Act, as the company is assessed to contain only one business segment and the geographical segments are considered not to deviate significantly.

Expenses for raw materials and consumables

Consumption of goods is recognized corresponding to net sales.

Other external expenses

Other external expenses comprise expenses for administration, rent and operating equipment, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses for the employees of the sales places, administration and management.

Notes to the Financial Statements

15 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses include interest, gains and losses on receivables, debts and transactions in foreign currency. Additionally, profit is included in the sale of financial fixed assets.

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 100 % owned Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Intangible assets are amortised over 3-5 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	2-8	years
Leasehold improvements	5-8	years

Notes to the Financial Statements

15 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and 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 there are indications of impairment, impairment tests are made for each asset or group of assets. Write-downs are made at the recoverable amount, if this is lower than the carrying amount.

As the recoverable amount, the highest value of net selling price and capitalised value is used. The capitalised value is calculated as the present value of the expected net cash flows from the use of the asset or asset group.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

Receivables

Receivables are measured at amortised cost. Write-downs are made to meet expected losses after an individual assessment of receivables.

Prepayments

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

Equity

Dividend

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

Provisions

Provisions comprises obligations to reestablish leased premises.

Notes to the Financial Statements

15 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred tax is measured using the balance sheet liability method in respect of temporary differences between the financial reporting purpose and tax value of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to taxable non-amortization goodwill and other items where temporary differences - other than business transfers - arose at the time of acquisition without affecting profit or taxable income. In cases where the calculation of the tax value can be made under alternative taxation rules, deferred tax is measured on the basis of the management's planned use of the asset or settlement of the liability.

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 or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

SSP Denmark Financing ApS, as a management company, assumes the liability for corporate taxation of jointly taxed companies to the tax authorities as they pay joint taxation contributions to SSP Denmark Financing ApS.

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.

Payable and receivable joint taxation contributions are recognized in the balance sheet as "Receivable corporate income tax" or "Payable corporation income tax".

Financial debts

Financial liabilities on loans are recognized at cost, corresponding to the proceeds received after deduction of transaction costs. Subsequently, financial liabilities are recognised at amortized cost using the effective interest method so that the difference between cost and nominal value is recognized in the income statement over the loan period together with interest costs.

Other liabilities are measured at net realizable value.

Notes to the Financial Statements

15 Accounting Policies (continued)

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