

**Ogilvy Danmark A/S**  
**Central Business Registration No**  
**73192528**  
**Toldbodgade 55B**  
**1253 Copenhagen K**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 07.06.2016

**Chairman of the General Meeting**

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Name: Lars Petersen

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## **Entity details**

### **Entity**

Ogilvy Danmark A/S  
Toldbodgade 55B  
1253 Copenhagen K

Central Business Registration No: 73192528

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

### **Board of Directors**

Kristian Lauridsen, Chairman

Ralph Charles Clementson

Paul Simon O'Donnell

### **Executive Board**

Pia Tandrup Hoelgaard, CEO

### **Bank**

Danske Bank  
Holmens Kanal 2  
1092 Copenhagen

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 Copenhagen

## **Statement by Management on the annual report**

The Board of Directors and the Executive Board have today considered and approved the annual report of Ogilvy Danmark A/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

In our opinion, the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 26.05.2016

### **Executive Board**

Pia Tandrup Hoelgaard  
CEO

### **Board of Directors**

Kristian Lauridsen  
Chairman

Ralph Charles Clementson

Paul Simon O'Donnell

## **Independent auditor's reports**

### **To the owner of Ogilvy Danmark A/S**

#### **Report on the financial statements**

We have audited the financial statements of Ogilvy Danmark A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility 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.

#### **Auditor's responsibility**

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

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

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

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

#### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

## **Independent auditor's reports**

Copenhagen, 26.05.2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No 33963556

Kim Mücke

State Authorised Public Accountant

Morten Jarlbo

State Authorised Public Accountant

## **Management commentary**

### **Primary activities**

The Entity's activities consist of advertising agency and related activities.

### **Development in activities and finances**

Profit for the year amounts to DKK 7.090 thousand which we find to be acceptable.

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

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B.

The accounting policies applied for these financial statements are consistent with those applied last year. However, few reclassifications in the comparative figures have been made.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### **Income statement**

#### **Revenue**

Revenue from the sale of advertising services etc. is recognised in the income statement as work is performed. Revenue is recognised net of VAT, duties and sales discounts.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the sales value of work performed.



## **Accounting policies**

### **Other external expenses**

Other external expenses comprise costs incurred to earn revenue.

### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, other staff costs, etc. for the Entity's staff.

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

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

### **Other operating expenses**

Other operating expenses comprise expenses for marketing, administration, premises, bad debt losses etc.

### **Other financial income**

Other financial income comprise interest income, realized and unrealized gains regarding transactions in foreign currencies, etc.

### **Other financial expenses**

Other financial expenses comprise interest expense, realized and unrealized losses regarding transactions in foreign currencies, etc.

### **Income taxes**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the other WPP entities in Denmark. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## **Balance sheet**

### **Property, plant and equipment**

Leasehold improvements and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

## Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doubtful debts.

### Contract work in progress

Contract work in progress is measured at the sales value of the work carried out at the balance sheet date.

The sales value is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

For some projects where the consumption of resources cannot be applied as a basis, stage of completion is determined as the ratio between completed and total sub activities of the individual projects.

Each contract in progress is recognised in the balance sheet under receivables or liabilities, depending on whether the net value, calculated as the selling price less on account billings, is positive or negative.

Costs of securing contracts are recognised in the income statement as incurred.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand.

The Entity participates in a cash pool agreement with other Danish WPP Group enterprises.

## **Accounting policies**

Positive balances in the cash pool agreement are presented as receivables from group enterprises. Negative balances are presented as debt to group enterprises.

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax. The Entity is jointly taxed with other WPP entities in Denmark.

## Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		77.325.810	68.875.939
Other external expenses		<u>(22.337.495)</u>	<u>(17.688.399)</u>
<b>Gross profit/loss</b>		<b>54.988.315</b>	<b>51.187.540</b>
Staff costs	1	(37.797.586)	(36.771.612)
Depreciation, amortisation and impairment losses		(200.342)	(303.018)
Other operating expenses		<u>(7.710.041)</u>	<u>(6.507.997)</u>
<b>Operating profit/loss</b>		<b>9.280.346</b>	<b>7.604.913</b>
Other financial income		28.017	0
Other financial expenses	2	<u>(14.931)</u>	<u>(25.725)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>9.293.432</b>	<b>7.579.188</b>
Tax on profit/loss from ordinary activities	3	<u>(2.203.204)</u>	<u>(1.795.037)</u>
<b>Profit/loss for the year</b>		<b><u>7.090.228</u></b>	<b><u>5.784.151</u></b>
<b>Proposed distribution of profit/loss</b>			
Dividend for the financial year		5.000.000	4.000.000
Retained earnings		<u>2.090.228</u>	<u>1.784.151</u>
		<b><u>7.090.228</u></b>	<b><u>5.784.151</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Other fixtures and fittings, tools and equipment		315.641	253.565
Leasehold improvements		30.928	80.304
<b>Property, plant and equipment</b>	<b>4</b>	<b><u>346.569</u></b>	<b><u>333.869</u></b>
Other receivables		886.055	865.145
<b>Fixed asset investments</b>		<b><u>886.055</u></b>	<b><u>865.145</u></b>
<b>Fixed assets</b>		<b><u>1.232.624</u></b>	<b><u>1.199.014</u></b>
Trade receivables		19.717.068	22.093.074
Contract work in progress	5	2.172.904	2.872.221
Receivables from group enterprises	6	10.729.054	2.748.376
Income tax receivable		0	1.715.000
Prepayments		679.494	633.953
<b>Receivables</b>		<b><u>33.298.520</u></b>	<b><u>30.062.624</u></b>
<b>Cash</b>		<b><u>13.245</u></b>	<b><u>11.883</u></b>
<b>Current assets</b>		<b><u>33.311.765</u></b>	<b><u>30.074.507</u></b>
<b>Assets</b>		<b><u>34.544.389</u></b>	<b><u>31.273.521</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	7	1.500.000	1.500.000
Retained earnings		7.719.400	5.629.172
Proposed dividend		5.000.000	4.000.000
<b>Equity</b>		<b><u>14.219.400</u></b>	<b><u>11.129.172</u></b>
Provisions for deferred tax		4.061.682	2.466.616
<b>Provisions</b>		<b><u>4.061.682</u></b>	<b><u>2.466.616</u></b>
Contract work in progress	8	4.087.199	7.279.061
Trade payables		2.635.500	1.737.011
Debt to group enterprises		718.649	616.016
Income tax payable		487.704	0
Other payables		8.334.255	8.045.645
<b>Current liabilities other than provisions</b>		<b><u>16.263.307</u></b>	<b><u>17.677.733</u></b>
<b>Liabilities other than provisions</b>		<b><u>16.263.307</u></b>	<b><u>17.677.733</u></b>
<b>Equity and liabilities</b>		<b><u>34.544.389</u></b>	<b><u>31.273.521</u></b>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Consolidation	11		

**Statement of changes in equity for 2015**

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	1.500.000	5.629.172	4.000.000	11.129.172
Ordinary dividend paid	0	0	(4.000.000)	(4.000.000)
Profit/loss for the year	0	2.090.228	5.000.000	7.090.228
<b>Equity end of year</b>	<b>1.500.000</b>	<b>7.719.400</b>	<b>5.000.000</b>	<b>14.219.400</b>

## Notes

	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	33.195.093	32.402.677
Pension costs	1.800.448	1.797.227
Other social security costs	345.152	372.176
Other staff costs	2.456.893	2.199.532
	<b>37.797.586</b>	<b>36.771.612</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial expenses</b>		
Financial expenses from group enterprises	5.267	5.023
Other financial expenses	9.664	20.702
	<b>14.931</b>	<b>25.725</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Tax on ordinary profit/loss for the year</b>		
Current tax	2.203.204	0
Change in deferred tax for the year	1.595.066	1.871.422
Adjustment relating to previous years	(1.595.066)	0
Effect of changed tax rates	0	(76.385)
	<b>2.203.204</b>	<b>1.795.037</b>

Adjustment relating to previous years is related to the settlement of tax losses in the joint taxation for 2014 with the other Danish WPP entities.



## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
<b>4. Property, plant and equipment</b>		
Cost beginning of year	1.109.467	408.098
Additions	213.044	0
Disposals	(52.900)	0
<b>Cost end of year</b>	<b>1.269.611</b>	<b>408.098</b>
Depreciation and impairment losses beginning of the year	(855.904)	(327.794)
Depreciation for the year	(150.966)	(49.376)
Reversal regarding disposals	52.900	0
<b>Depreciation and impairment losses end of the year</b>	<b>(953.970)</b>	<b>(377.170)</b>
<b>Carrying amount end of year</b>	<b>315.641</b>	<b>30.928</b>

## 5. Contract work in progress

	<b>2015 DKK</b>	<b>2014 DKK</b>
Sales value of work performed	25.302.864	20.124.706
On account billings	(27.217.159)	(24.531.546)
	<b>(1.914.295)</b>	<b>(4.406.840)</b>

Net value is presented in the balance sheet as follows:

	<b>2015 DKK</b>	<b>2014 DKK</b>
Contract work in progress (net value), where the sales value exceeds on account billings	2.172.904	2.872.221
Contract work in progress (net value), where on account billings to customers exceed sales value	(4.087.199)	(7.279.061)
	<b>(1.914.295)</b>	<b>(4.406.840)</b>

## Notes

### 6. Short-term receivables from group enterprises

Receivables from group enterprises consist partly of deposits in the Group's cash pool with DKK 10.020 thousand (2014: DKK 2.521 thousand).

	<u>Number</u>	<u>Nominal value DKK</u>
<b>7. Contributed capital</b>		
Shares	1.500	1.500.000
	<b>1.500</b>	<b>1.500.000</b>

There has not been any changes in the share capital in the past five financial years.

### 8. Contract work in progress

Refer to note 4, "Contract work in progress"

	<u>2015 DKK</u>	<u>2014 DKK</u>
<b>9. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<b>3.225.917</b>	<b>4.925.904</b>

### 10. Contingent liabilities

The Company participates in a Danish joint taxation arrangement with WPP Holding Denmark A/S as the administration company. According to the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 for obligations, if any, relating to withholding tax on interest, royalties and dividends for the jointly taxed companies.

### 11. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

WPP Plc., 27 Farm Street, W17 5RJ, London, England.

The consolidated financial statements can be downloaded at [www.wpp.com](http://www.wpp.com).