
Mediacom Danmark A/S

Antonigade 2, 2., DK-1106 Copenhagen C

Annual Report for 1 January - 31 December 2018

CVR No 78 42 20 17

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2019

Lars Petersen
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Mediacom Danmark A/S for the financial year 1 January - 31 December 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 31 December 2018 of the Company and of the results of the Company's operations for 2018.

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, 10 May 2019

Executive Board

Morten Kjærsgaard Kristensen
CEO

Board of Directors

Jonas von Barnekow Benzon
Hemmingsen
Chairman

Morten Kjærsgaard Kristensen

Jens Storkfelt

Independent Auditor's Report

To the Shareholder of Mediacom Danmark A/S

Opinion

We have audited the Financial Statements of Mediacom Danmark A/S for the financial year 1 January - 31 December 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 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 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.

Independent Auditor's Report

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.
- 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.

Independent Auditor's Report

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.

Copenhagen, 10 May 2019

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Kim Takata Mücke

State Authorised Public Accountant

mne10944

Company Information

The Company

Mediacom Danmark A/S
Antonigade 2, 2.
DK-1106 Copenhagen C

CVR No: 78 42 20 17

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Board of Directors

Jonas von Barnekow Benzou Hemmingsen, Chairman
Morten Kjærsgaard Kristensen
Jens Storkfelt

Executive Board

Morten Kjærsgaard Kristensen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S

Financial Highlights

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

	2018 TDKK	2017 TDKK	2016 TDKK	2015 TDKK	2014 TDKK
Key figures					
Profit/loss					
Revenue	587.875	555.000	615.598	596.548	708.106
Gross profit/loss	41.938	46.722	48.405	47.712	56.713
Operating profit/loss	423	1.972	3.545	1.013	6.852
Net financials	-40	-181	167	395	753
Net profit/loss for the year	254	1.344	2.782	939	5.788
Balance sheet					
Balance sheet total	156.157	173.131	168.608	143.756	185.536
Equity	60.557	60.303	58.959	56.177	55.235
Investment in property, plant and equipment	0	90	216	31	19
Number of employees	81	86	81	85	91
Ratios					
Gross margin	7,1%	8,4%	7,9%	8,0%	8,0%
Solvency ratio	38,8%	34,8%	35,0%	39,1%	29,8%
Return on equity	0,4%	2,3%	4,8%	1,7%	11,1%
Net margin	0,0%	0,2%	0,5%	0,2%	0,8%

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

Primary activities

The Entity's primary activity has been to service Danish and Nordic advertisers, mainly in co-operation with the other Mediacom companies based in the Nordic countries.

Development in the year

The income statement of the Company for 2018 shows a profit of TDKK 254, and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 60,557.

The Company shows a modest growth in revenue while an decrease in staff expenses has resulted in a significantly improved Profit/loss before financial income and expenses. The financial performance is satisfactory.

The Company shows a modest growth in revenue while an increase in other external expenses has resulted in a lower gross profit/loss. This has partly been off-set by a decrease in staff expenses, which is also reflected in the lower number of employees.

The result is below Management's expectations and reflects a year with heavy investment in new business. The new biz focus in 2018 have made this year the most successful year to date with 10 new clients, most notably the largest Danish advertiser Danske Spil, Pandora and Specsavers who will be handled in the Nordics and Holland.

Particular risks

Business risks

The Entity's main business risks relate to the business sector's investments in media and marketing activities. Consequently, the development of the Entity is dependent on the general financial climate for enterprises in Denmark.

Outlook

Due to the positive outcome of the pitches in 2018 the Entity expects a profit for 2019 above 2018 and in the range of TDKK 2-3.000.

Intellectual capital resources

A substantial part of the Entity's business hinges on the existence of certain staff resources and tools, which have been further developed throughout the year, both in terms of value-based management and with respect to processes and structures for knowledge-based work.

Management's Review

Statement of corporate social responsibility

Being part of the global WPP Group we're privileged to work with many pioneers of sustainable business, helping our clients to create brands with purpose and to embed sustainability into products, marketing and communications.

A statement regarding the Entity's policies, actions and results within matters relating to CSR is evident from the annual report of the ultimate Parent, WPP Plc. who is a member of the United Nations Global Compact and committed to its 10 principles.

The WPP Group provides a clear policy framework which are included in the WPP Policy Book. These policies are cascaded to employees through regular communication and online training modules.

For full details we refer to the annual report of the ultimate Parent, WPP Plc.
<https://www.wpp.com/investors/annual-report-2018>

Statement on gender composition

At 31 December 2018, the gender balance of the Entity showed a percentage of women of 56% and a percentage of men of 44%. The Entity's total management group consisted of 36% women. There is one woman (25%) on the Executive Board but none on the Board of Directors (3 persons in total). With exception of the Board of Directors the percentages improved in 2018 and it is the overall and long-term objective of the Entity to maintain an equal balance between the genders at management level, including to focus on attracting more women to the Entity in future and developing these women to join the management group (with a target of 40% women).

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2018 of the Company and the results of the activities of the Company for the financial year for 2018 have not been affected by any unusual events.

Income Statement 1 January - 31 December

	Note	2018 TDKK	2017 TDKK
Revenue		587.875	555.000
Cost of sales		-501.828	-473.454
Other external expenses	2	-44.109	-34.824
Gross profit/loss		41.938	46.722
Staff expenses	3	-41.436	-44.653
Depreciation, amortisation and impairment of property, plant and equipment	4	-79	-97
Profit before financial income and expenses		423	1.972
Financial income	5	344	418
Financial expenses	6	-384	-599
Profit before tax		383	1.791
Tax on profit for the year	7	-129	-447
Net profit/loss for the year		254	1.344

Balance Sheet 31 December

Assets

	Note	2018 TDKK	2017 TDKK
Other fixtures and fittings, tools and equipment		70	128
Leasehold improvements		71	92
Property, plant and equipment	8	141	220
Other receivables		226	135
Fixed asset investments	9	226	135
Fixed assets		367	355
Trade receivables		128.967	140.483
Contract work in progress	10	146	217
Receivables from group enterprises		24.664	28.489
Other receivables		1.763	2.164
Deferred tax asset	14	92	0
Corporation tax		0	304
Prepayments	11	155	1.062
Receivables		155.787	172.719
Cash at bank and in hand		3	57
Currents assets		155.790	172.776
Assets		156.157	173.131

Balance Sheet 31 December

Liabilities and equity

	Note	2018 TDKK	2017 TDKK
Share capital		20.000	20.000
Retained earnings		40.557	40.303
Equity	12	60.557	60.303
Provision for deferred tax	14	0	195
Provisions		0	195
Prepayments received from customers		8.517	6.915
Trade payables		72.759	60.223
Contract work in progress, liabilities	10	1.962	3.334
Payables to group enterprises		6.195	35.194
Corporation tax		66	0
Other payables	15	6.101	6.967
Short-term debt		95.600	112.633
Debt		95.600	112.633
Liabilities and equity		156.157	173.131
Subsequent events	1		
Fee to auditors appointed at the general meeting	2		
Distribution of profit	13		
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	20.000	40.303	60.303
Net profit/loss for the year	0	254	254
Equity at 31 December	20.000	40.557	60.557

Notes to the Financial Statements

1 Subsequent events

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

	<u>2018</u> TDKK	<u>2017</u> TDKK
2 Fee to auditors appointed at the general meeting		
Deloitte		
Audit fee	327	507
Other assurance engagements	16	20
	<u>343</u>	<u>527</u>

3 Staff expenses

Wages and salaries	38.625	41.657
Pensions	2.205	2.335
Other social security expenses	548	516
Other staff expenses	58	145
	<u>41.436</u>	<u>44.653</u>
Average number of employees	<u>81</u>	<u>86</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. No remuneration has been paid to the Company's Board of Directors.

The Executive Board and senior officers at Mediacom Danmark A/S are participating in the WPP Group's share option programme. The programme has been entered with WPP plc. and Mediacom Danmark A/S is not impacted financially.

4 Depreciation, amortisation and impairment of property, plant and equipment

Depreciation of property, plant and equipment	<u>79</u>	<u>97</u>
	<u>79</u>	<u>97</u>

Notes to the Financial Statements

	2018 <u>TDKK</u>	2017 <u>TDKK</u>
5 Financial income		
Interest received from group enterprises	0	194
Other financial income	233	224
Exchange adjustments	111	0
	<u>344</u>	<u>418</u>
6 Financial expenses		
Interest paid to group enterprises	9	71
Other financial expenses	83	345
Exchange adjustments, expenses	292	183
	<u>384</u>	<u>599</u>
7 Tax on profit for the year		
Current tax for the year	416	316
Deferred tax for the year	-287	105
Adjustment of deferred tax concerning previous years	0	26
	<u>129</u>	<u>447</u>

Notes to the Financial Statements

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK	Leasehold improvements TDKK
Cost at 1 January	428	211
Disposals for the year	-205	-108
Cost at 31 December	<u>223</u>	<u>103</u>
Impairment losses and depreciation at 1 January	300	119
Depreciation for the year	58	21
Reversal of impairment and depreciation of sold assets	-205	-108
Impairment losses and depreciation at 31 December	<u>153</u>	<u>32</u>
Carrying amount at 31 December	<u>70</u>	<u>71</u>

9 Fixed asset investments

	Other receiv- ables TDKK
Cost at 1 January	135
Additions for the year	<u>91</u>
Cost at 31 December	<u>226</u>
Carrying amount at 31 December	<u>226</u>

10 Contract work in progress

	2018 TDKK	2017 TDKK
Selling price of work in progress	4.926	3.620
Payments received on account	-6.742	-6.737
	<u>-1.816</u>	<u>-3.117</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	146	217
Prepayments received recognised in debt	-1.962	-3.334
	<u>-1.816</u>	<u>-3.117</u>

Notes to the Financial Statements

11 Prepayments

Prepayments comprise prepayments of various subscriptions, rent, water, heating and electricity, etc.

12 Equity

The share capital consists of 20,000 shares 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.

13 Distribution of profit

	2018 TDKK	2017 TDKK
Retained earnings	254	1.344
	254	1.344

14 Deferred tax asset

Deferred tax asset at 1 January	-195	-90
Amounts recognised in the income statement for the year	287	-105
Deferred tax asset at 31 December	92	-195

15 Other payables

Value added tax etc	1	0
Wages and salaries, personal income taxes, social security costs, etc.	312	672
Holiday pay obligation	4.557	5.222
Other debt	1.231	1.073
	6.101	6.967

Notes to the Financial Statements

	<u>2018</u> TDKK	<u>2017</u> TDKK
16 Contingent assets, liabilities and other financial obligations		
Contingent liabilities		
Commitments under rental agreements or leases until expiry	<u>3.134</u>	<u>3.169</u>

Mediacom Danmark A/S has provided a guarantee of TDKK 12,000 in favour of the Company's banker. The guarantee is provided towards the Security Fund of the Danish Association of Advertising and Relationship Agencies in order to compensate the Company's obligations in relation to owners of papers and magazines, and a specified group of Danish media owners, respectively.

A bank guarantee of TDKK 1,552 has been provided regarding rental obligations.

The Company participates in a Danish joint taxation arrangement in which WPP Holding Denmark A/S serves as the administration company. According to the joint taxation provisions of 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Notes to the Financial Statements

17 Related parties

	<u>Basis</u>
Controlling interest	
Grey Nordic ApS	Shareholder

Transactions

The Company only disclose transactions with related parties which are not effected at arm's length. All transactions are at arm's length.

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
WPP Plc.	27 Farm Street, W1J 5RJ, London, England

The Group Annual Report of WPP Plc. may be obtained at www.wpp.com.

Notes to the Financial Statements

18 Accounting Policies

The Annual Report of Mediacom Danmark A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

In accordance with section 96 of the Danish Financial Statements Act, the Company has chosen not to disclose segment information, as the Company does not operate within activities or business areas that deviate in profit or risk profile.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 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 , the Company has not prepared a cash flow statement.

Recognition and measurement

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.

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.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

Notes to the Financial Statements

18 Accounting Policies (continued)

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

Revenue from the sale of media is recognised in the income statement when delivery is made to the buyer.

Consultancy services are included in revenue based on the stage of completion so that revenue corresponds to the sales value of the work performed in the financial year (the percentage-of-completion method).

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

Cost of sales

Cost of sales comprise consumed use of media to achieve the revenue for the year. Use of media include received discounts, etc.

Other external expenses

Other external expenses comprise expenses for premises, stationery and office supplies, marketing costs and services provided by group related companies etc. This item also includes write-downs of receivables recognised in current assets.

Staff expenses

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment comprise amortisation, 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.

Notes to the Financial Statements

18 Accounting Policies (continued)

Financial income and expenses

Other financial income comprises interest income, including interest income on receivables from group enterprises, net foreign exchange, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net foreign change, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit 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 other WPP companies in Denmark. 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	5 years
Leasehold improvements	3-5 years

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 so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

18 Accounting Policies (continued)

Fixed asset investments

Fixed asset investments consist of other receivables.

Cash pool

The Company is part of a cash pool scheme with other Danish WPP companies. Consequently, a considerable portion of the Company's bank deposits and debt is included in receivables from and payables to group enterprises, respectively.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

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.

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

Prepayments

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

Notes to the Financial Statements

18 Accounting Policies (continued)

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. Surcharges 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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods or service agreed.

Notes to the Financial Statements

18 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Net margin	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$