


**Synopsys Denmark ApS**  
**Annual report 2015/16**

Registration no. 25 60 05 68

The annual report was presented and adopted at the  
annual general meeting of the Company

on 13/12 2016

  
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chairman

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## Statement by the Executive Board and the Board of Directors

The Executive Board and the Board of Directors have today discussed and approved the annual report of Synopsys Denmark ApS for the financial year 1 November 2015 – 31 October 2016.


The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 October 2016 and of the results of the Company's operations for the financial year 1 November 2015 – 31 October 2016.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 13 December 2016

### Executive Board:

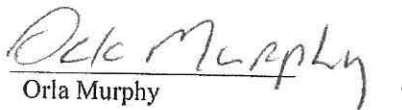


Charles E. Watchorn

### Board of Directors:



Charles E. Watchorn



Orla Murphy

## **Independent auditors' report**

**To the shareholders of Synopsys Denmark ApS**

### **Independent auditors' report on the financial statements**

We have audited the financial statements of Synopsys Denmark ApS for the financial year 1 November 2015 – 31 October 2016, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements have been 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. Further, management is responsible for such internal control as it 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 according to Danish audit regulations. 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 judgement, including an assessment of the risks of material misstatement 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. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, 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.

## **Independent auditors' report**

### **Opinion**

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 October 2016 and of the results of its operations for the financial year 1 November 2015 – 31 October 2016 in accordance with the Danish Financial Statements Act.

Copenhagen, 13 December 2016

**Ernst & Young**  
Godkendt Revisionspartnerselskab  
Registration no. 30 70 02 28



Alex Petersen  
State authorized public accountant

## **Company details**

Synopsys Denmark ApS  
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1606 København V.

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Fax: +45 70 21 22 20

Website: [www.synopsys.com](http://www.synopsys.com)  
E-mail: [hotscan@synopsys.com](mailto:hotscan@synopsys.com)

Registration no.: 25 60 05 68  
Established: 1 September 2000  
Registered office: City of Copenhagen  
Financial year: 1 November – 31 October

### **Board of Directors**

Charles E. Watchorn  
Orla Murphy

### **Executive Board**

Charles E. Watchorn

### **Auditors**

Ernst & Young Godkendt Revisionspartnerselskab

### **Annual general meeting**

The annual general meeting is to be held on 13 December 2016.

### **Consolidated financial statements**

Synopsys Inc. is the parent company of the largest group of undertakings for which group financial statements are drawn up and of which Synopsys Denmark ApS is a member. The group financial statements of Synopsys Inc. are available to the public from Synopsys Inc., 690 East Middlefield Road, Mountain View, CA 94043-94044, United States of America.



## **Financial statements for the period 1 November 2015 – 31 October 2016**

### **Accounting policies**

The annual report of Synopsys Denmark ApS for 2015/16 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The Company's accounting policies are consistent with those of the preceding years.

#### **Recognition and measurement**

Income is recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, costs incurred to generate the year's earnings are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable, and the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any predictable losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Danish kroner is used as the measurement currency. All other currencies are considered foreign currencies.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose is recognized in the income statement as financial income or financial expenses.

**Financial statements for the period 1 November 2015 – 31  
October 2016  
Accounting policies**

**Income statement**

**Revenue**

Marketing and support service fees are recognized in the income statement as the services are provided.

**Other external expenses**

Other external expenses comprise travel expenses, rent, office expenses, etc.

**Gross profit**

With reference to section 32 of the Danish Financial Statements Act, revenue and other external expenses have not been disclosed separately in the annual report but is disclosed as gross profit.

**Staff costs**

Staff costs comprise wages and salaries, remuneration, pensions and other staff costs related to the Company's employees.

**Depreciation**

Depreciation includes depreciation of property, plant and equipment for the year.

**Financial income and expenses**

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

**Tax on profit/loss for the year**

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognized in the income statement.



## **Financial statements for the period 1 November 2015 – 31 October 2016**

### **Accounting policies**

#### **Balance sheet**

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

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful lives of the assets. The expected useful lives are:

<i>Other fixture and fittings, tools and equipment</i>	<i>3-5 years</i>
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##### **Impairment of assets**

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortization or depreciation.

An impairment test is conducted to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to this lower recoverable amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on an overall assessment.

Other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are tested for impairment together with the group of assets to which they are attributable.

##### **Receivables**

Receivables are recognized in the balance sheet at amortized cost, which substantially corresponds to the nominal value. Write-down is made for estimated bad debt losses.

##### **Prepayments**

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

**Financial statements for the period 1 November 2015 – 31  
October 2016**  
**Accounting policies**

**Current tax receivables and liabilities**

Current tax payable and receivable is recognized in the balance sheet as tax computed in the taxable income for the year adjusted for tax on the taxable incomes for prior years and tax paid on account. Surcharges and refunds under the on-account taxation scheme are recognized as the income statement in financial income or financial expenses.

**Liabilities**

Financial liabilities comprising amounts owed to trade payables are recognized at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortized cost.

Other liabilities are measured at net realizable value.

**Financial statements for the period 1 November 2015 – 31  
 October 2016**

**Income statement**

	Note	2015/16	2014/15
<b>Gross profit</b>		5,053,060	5,802,567
Staff costs	2	(4,721,173)	(5,403,442)
Depreciation on property, plant and equipment		(30,217)	(53,688)
<b>Profit before financial income and expenses</b>		301,670	345,437
Financial income		98	377
Financial expenses		(8,832)	(1,730)
<b>Profit before tax</b>		292,936	344,084
Tax on profit for the year	3	(72,276)	(93,567)
<b>Profit for the year</b>		<u>220,660</u>	<u>250,517</u>

**Proposed profit appropriation**

Retained earnings	220,660	250,517
	<u>220,660</u>	<u>250,517</u>

## ***Financial statements for the period 1 November 2015 – 31 October 2016***

	Note	2015/16	2014/15
<b>BALANCE SHEET</b>			
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Other fixtures and fittings, tools and equipment		49,551	72,339
		49,551	72,339
<b>Investments</b>			
Deposits		175,358	175,358
		175,358	175,358
<b>Total fixed assets</b>		224,909	247,697
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from parent company		685,105	650,184
Prepayments		45,177	63,048
		730,282	713,232
<b>Total receivables</b>		730,282	713,232
<b>Cash at bank and in hand</b>		4,209,164	4,267,881
<b>Total current assets</b>		4,939,446	4,981,113
<b>TOTAL ASSETS</b>		5,164,355	5,228,810
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	4	125,000	125,000
Retained earnings		3,264,796	3,044,136
		3,389,796	3,169,136
<b>Total equity</b>		3,389,796	3,169,136
<b>Liabilities</b>			
Corporation tax		85,845	95,722
Accounts payable		151,213	210,222
Other payables		1,537,501	1,753,730
		1,774,559	2,059,674
<b>Current liabilities</b>		1,774,559	2,059,674
<b>Total liabilities</b>		1,774,559	2,059,674
<b>TOTAL EQUITY AND LIABILITIES</b>		5,164,355	5,228,810
<b>Principal activities</b>	1		
<b>Contingencies, liabilities and other financial obligations</b>	5		
<b>Related party disclosures</b>	6		

**Financial statements for the period 1 November 2015 – 31 October 2016**

**Notes**

**1. Principal activities**

The objective of the Company is the marketing and support of Electronic Design Automation Software products on behalf of the parent company for the Danish design market, together with the provision of consulting services to the market place.

	2015/16	2014/15
<b>2 Staff costs</b>		
Wages and salaries	4,312,907	4,926,349
Pensions	361,213	430,675
Other staff costs	47,053	46,418
	<u>4,721,173</u>	<u>5,403,442</u>

	2015/16	2014/15
<b>3 Tax on profit for the year</b>		
Current tax for the year	72,292	93,567
Adjustment of tax concerning previous years	(16)	-
	<u>72,276</u>	<u>93,567</u>

**4 Equity**

	Share capital	Retained earnings	Total
Equity at 1 November 2015	125,000	3,044,136	3,169,136
Profit for the year		220,660	220,660
<b>Equity at 31 October 2016</b>	<u>125,000</u>	<u>3,264,796</u>	<u>3,389,796</u>



**Financial statements for the period 1 November 2015 – 31  
October 2016**

**Notes**

	<u>2015/16</u>	<u>2014/15</u>
The share capital comprises:		
125 shares of nom. DKK 1,000 each.	<u>125,000</u>	<u>125,000</u>
	<u>125,000</u>	<u>125,000</u>
The share capital has remained DKK 125,000 in the past 5 years		

**5 Contingencies, liabilities and other financial obligations**

The Company has entered into a lease with external parties. The accumulated rent and lease obligations amount to DKK 370,456 (2014/15: DKK 320,056).

There are no further security and contingent liabilities at 31 October 2016.

**6 Related party disclosures**

Synopsys Denmark ApS' related parties comprise:

**Party exercising control**

Synopsys International Limited, Blanchardstown Corporate Park, Blanchardstown, Dublin 15, Ireland, which is the principal shareholder.