



## Sedgwick Leif Hansen A/S

Lautrupvang 8, 2750 Ballerup  
CVR No. 26694280

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 11.03.2020

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**Dan Terkildsen**  
Conductor

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# Entity details

## Entity

Sedgwick Leif Hansen A/S

Lautrupvang 8

2750 Ballerup

CVR No.: 26694280

Registered office: Ballerup

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Geert Bjørn Hansen, Chairman

Dan Terkildsen

Stewart Craig Steel

## Executive Board

Christian Leif Hansen, Chief Executive Officer

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Sedgwick Leif Hansen A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that 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.

Ballerup, 11.03.2020

## Executive Board

**Christian Leif Hansen**  
Chief Executive Officer

## Board of Directors

**Geert Bjørn Hansen**  
Chairman

**Dan Terkildsen**

**Stewart Craig Steel**

# Independent auditor's report

## To the shareholders of Sedgwick Leif Hansen A/S

### Opinion

We have audited the financial statements of Sedgwick Leif Hansen A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the 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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

København, 11.03.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jens Sejer Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne14986

# Management commentary

## Primary activities

We provide loss adjustment, claims management and risk solutions to insurers, brokers and risk managers.

## Development in activities and finances

The Company realized a profit after tax of DKK 6,931 thousand. The Company's balance sheet shows total assets of DKK 44,802 thousand and equity of DKK 10,765 thousand.

## 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.



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>61,358,872</b>	<b>49,529,600</b>
Staff costs	1	(49,953,966)	(41,689,276)
Depreciation, amortisation and impairment losses	2	(2,222,531)	(2,207,144)
<b>Operating profit/loss</b>		<b>9,182,375</b>	<b>5,633,180</b>
Income from investments in associates		0	(4,173)
Other financial income	3	121,835	10,315
Other financial expenses	4	(374,739)	(293,345)
<b>Profit/loss before tax</b>		<b>8,929,471</b>	<b>5,345,977</b>
Tax on profit/loss for the year	5	(1,998,863)	(1,044,363)
<b>Profit/loss for the year</b>		<b>6,930,608</b>	<b>4,301,614</b>
<b>Proposed distribution of profit and loss</b>			
Ordinary dividend for the financial year		6,900,000	4,300,000
Retained earnings		30,608	1,614
<b>Proposed distribution of profit and loss</b>		<b>6,930,608</b>	<b>4,301,614</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Acquired intangible assets		1,476,598	1,426,694
Goodwill		2,006,920	3,556,632
<b>Intangible assets</b>	6	<b>3,483,518</b>	<b>4,983,326</b>
Other fixtures and fittings, tools and equipment		794,917	832,121
Leasehold improvements		5,880	9,240
<b>Property, plant and equipment</b>	7	<b>800,797</b>	<b>841,361</b>
Investments in associates		25,000	25,000
Other investments		18,470	18,470
Deposits		829,738	795,750
<b>Other financial assets</b>	8	<b>873,208</b>	<b>839,220</b>
<b>Fixed assets</b>		<b>5,157,523</b>	<b>6,663,907</b>
Trade receivables		15,866,708	12,710,045
Contract work in progress		7,964,724	7,536,081
Receivables from group enterprises		4,700,259	1,746,615
Receivables from associates		100,000	0
Other receivables	9	6,247,048	3,022,061
Prepayments		1,050,867	652,526
<b>Receivables</b>		<b>35,929,606</b>	<b>25,667,328</b>
<b>Cash</b>		<b>3,715,062</b>	<b>4,577,188</b>
<b>Current assets</b>		<b>39,644,668</b>	<b>30,244,516</b>
<b>Assets</b>		<b>44,802,191</b>	<b>36,908,423</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		500,000	500,000
Retained earnings		3,364,752	3,334,144
Proposed dividend		6,900,000	4,300,000
<b>Equity</b>		<b>10,764,752</b>	<b>8,134,144</b>
Deferred tax		2,750,459	3,898,047
Other provisions		0	1,157,337
<b>Provisions</b>		<b>2,750,459</b>	<b>5,055,384</b>
Other payables		1,852,936	0
<b>Non-current liabilities other than provisions</b>	10	<b>1,852,936</b>	<b>0</b>
Bank loans		9,003,142	5,214,990
Trade payables		2,074,239	1,825,753
Payables to group enterprises		4,322,036	1,394,381
Income tax payable		2,578,451	1,528,151
Other payables		11,456,176	13,755,620
<b>Current liabilities other than provisions</b>		<b>29,434,044</b>	<b>23,718,895</b>
<b>Liabilities other than provisions</b>		<b>31,286,980</b>	<b>23,718,895</b>
<b>Equity and liabilities</b>		<b>44,802,191</b>	<b>36,908,423</b>
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		

# Statement of changes in equity for 2019

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	500,000	3,334,144	4,300,000	8,134,144
Ordinary dividend paid	0	0	(4,300,000)	(4,300,000)
Profit/loss for the year	0	30,608	6,900,000	6,930,608
<b>Equity end of year</b>	<b>500,000</b>	<b>3,364,752</b>	<b>6,900,000</b>	<b>10,764,752</b>

# Notes

## 1 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	48,301,796	40,181,292
Pension costs	1,287,849	1,122,804
Other social security costs	364,321	385,180
	<b>49,953,966</b>	<b>41,689,276</b>
Number of employees at balance sheet date	<b>65</b>	<b>62</b>

## 2 Depreciation, amortisation and impairment losses

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	2,100,614	2,030,561
Depreciation of property, plant and equipment	121,917	176,583
	<b>2,222,531</b>	<b>2,207,144</b>

## 3 Other financial income

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Other financial income	121,835	10,315
	<b>121,835</b>	<b>10,315</b>

## 4 Other financial expenses

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	42,779	4,770
Exchange rate adjustments	16,204	6,725
Other financial expenses	315,756	281,850
	<b>374,739</b>	<b>293,345</b>

## 5 Tax on profit/loss for the year

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	3,146,451	1,528,151
Change in deferred tax	(1,147,588)	(321,704)
Adjustment concerning previous years	0	(162,084)
	<b>1,998,863</b>	<b>1,044,363</b>

## 6 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	2,264,146	8,111,645
Additions	600,806	0
<b>Cost end of year</b>	<b>2,864,952</b>	<b>8,111,645</b>
Amortisation and impairment losses beginning of year	(837,452)	(4,555,013)
Amortisation for the year	(550,902)	(1,549,712)
<b>Amortisation and impairment losses end of year</b>	<b>(1,388,354)</b>	<b>(6,104,725)</b>
<b>Carrying amount end of year</b>	<b>1,476,598</b>	<b>2,006,920</b>

## 7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	4,123,226	384,876
Additions	98,689	0
Disposals	(31,520)	0
<b>Cost end of year</b>	<b>4,190,395</b>	<b>384,876</b>
Depreciation and impairment losses beginning of year	(3,291,105)	(375,636)
Depreciation for the year	(118,557)	(3,360)
Reversal regarding disposals	14,184	0
<b>Depreciation and impairment losses end of year</b>	<b>(3,395,478)</b>	<b>(378,996)</b>
<b>Carrying amount end of year</b>	<b>794,917</b>	<b>5,880</b>

## 8 Financial assets

	Investments in associates DKK	Other investments DKK	Deposits DKK
Cost beginning of year	25,000	18,470	795,750
Additions	0	0	33,988
<b>Cost end of year</b>	<b>25,000</b>	<b>18,470</b>	<b>829,738</b>
<b>Carrying amount end of year</b>	<b>25,000</b>	<b>18,470</b>	<b>829,738</b>

Investments in associates	Registered in	Corporate form	Equity interest %
Oriel ApS	Ballerup	ApS	50,0

## 9 Other receivables

	2019DKK	2018 DKK
Other receivables	6,247,048	3,022,061
	<b>6,247,048</b>	<b>3,022,061</b>

Other receivables relate to third-party administration activity.

## 10 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Other payables	1,852,936
	<b>1,852,936</b>

## 11 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	<b>4,387,088</b>	<b>4,187,110</b>

## 12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which ALH Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

## 13 Assets charged and collateral

The Company has provided other fixtures and fitting, tools and equipment and trade receivables as security. The total security amounts DKK 22,747.

The Company has pro rata guaranteed subsidiaries' bank debt. The bank debt amounts to DKK 0 at the balance sheet date.

# 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 enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## 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.

## Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

## 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 rate 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. Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, work in progress, other operating income and other external expenses.

### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### **Staff costs**

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

### **Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and 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 intangible assets as well as property, plant and equipment.

### **Income from investments in associates**

Income from investments in associates comprises dividend etc. received from the individual associates in the financial year.

### **Other financial income**

Other financial income comprises dividends interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme, adjustment of net present value of capitalized earn out payment obligation.

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

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 all Danish group enterprises. 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****Goodwill**

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

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

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

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

### **Investments in associates**

Investment in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

### **Other investments**

Other investments comprise are measured at cost.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price 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.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs 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 and bank deposits.

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**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.

**Other provisions**

Other provisions comprise liabilities in relation to ongoing services.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Other financial liabilities**

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

**Income tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.