

## **GHD Scandinavia ApS**

Kirkebjerg Parkvej 9  
2605 Brøndby  
Business Registration No  
28497792

## **Annual report 01.07.2017 - 30.06.2018**

The Annual General Meeting adopted the annual report on 30.11.2018

### **Chairman of the General Meeting**

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Name: Allan Træholt Andersen

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## Entity details

### Entity

GHD Scandinavia ApS  
Kirkebjerg Parkvej 9  
2605 Brøndby

Central Business Registration No (CVR): 28497792

Registered in: Brøndby

Financial year: 01.07.2017 - 30.06.2018

### Board of Directors

Michael Joseph Hewett  
Allan Træholt Andersen

### Executive Board

Allan Træholt Andersen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of GHD Scandinavia ApS for the financial year 01.07.2017 - 30.06.2018.

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 30.06.2018 and of the results of its operations for the financial year 01.07.2017 - 30.06.2018.

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.

Viby J, 30.11.2018

### Executive Board

Allan Træholt Andersen

### Board of Directors

Michael Joseph Hewett

Allan Træholt Andersen

# Independent auditor's report

## To the shareholders of GHD Scandinavia ApS

### Opinion

We have audited the financial statements of GHD Scandinavia ApS for the financial year 01.07.2017 - 30.06.2018, 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 30.06.2018 and of the results of its operations for the financial year 01.07.2017 - 30.06.2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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:

## Independent auditor's report

- 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.

## **Independent auditor's report**

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.

Copenhagen, 30.11.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Jan Larsen  
State Authorised Public Accountant  
Identification No (MNE) mne16541

## Management commentary

### Primary activities

The Company's primary activity consists of commercial and investing activities as well as related activities.

### Development in activities and finances

Gross profit for the year amounts to DKK 21,673k against DKK 16,164k last year. Profit from ordinary activities after tax amounts to DKK 1,734k against DKK 2,710k last year. Management considers profit for the year satisfactory.

The Company is expected to be closed in the next financial year. All of the activities have been transferred to another Company in group.

### 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 2017/18

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
<b>Gross profit</b>		<b>21.672.758</b>	<b>16.164.140</b>
Staff costs	1	(19.263.164)	(13.748.948)
Depreciation, amortisation and impairment losses		<u>(1.051.431)</u>	<u>(406.540)</u>
<b>Operating profit/loss</b>		<b>1.358.163</b>	<b>2.008.652</b>
Income from investments in group enterprises		923.821	1.104.511
Other financial income from group enterprises		91.000	312.000
Other financial income		33.292	36.808
Other financial expenses		<u>(228.209)</u>	<u>(274.660)</u>
<b>Profit/loss before tax</b>		<b>2.178.067</b>	<b>3.187.311</b>
Tax on profit/loss for the year	2	<u>(444.179)</u>	<u>(477.754)</u>
<b>Profit/loss for the year</b>		<b><u>1.733.888</u></b>	<b><u>2.709.557</u></b>
<b>Proposed distribution of profit/loss</b>			
Transferred to reserve for net revaluation according to the equity method		950.850	1.134.813
Retained earnings		<u>783.038</u>	<u>1.574.744</u>
		<b><u>1.733.888</u></b>	<b><u>2.709.557</u></b>

## Balance sheet at 30.06.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Acquired licences		0	41.306
<b>Intangible assets</b>		<b>0</b>	<b>41.306</b>
Other fixtures and fittings, tools and equipment		74.857	666.150
Leasehold improvements		0	173.190
<b>Property, plant and equipment</b>		<b>74.857</b>	<b>839.340</b>
Investments in group enterprises		7.096.844	6.712.953
Deposits		337.575	329.318
<b>Fixed asset investments</b>		<b>7.434.419</b>	<b>7.042.271</b>
<b>Fixed assets</b>		<b>7.509.276</b>	<b>7.922.917</b>
Manufactured goods and goods for resale		3.576.005	7.872.618
<b>Inventories</b>		<b>3.576.005</b>	<b>7.872.618</b>
Trade receivables		3.171.335	8.019.618
Receivables from group enterprises		21.576.812	3.644.825
Other receivables		1.500	152.171
Prepayments		489.108	483.867
<b>Receivables</b>		<b>25.238.755</b>	<b>12.300.481</b>
<b>Cash</b>		<b>2.541.427</b>	<b>783.406</b>
<b>Current assets</b>		<b>31.356.187</b>	<b>20.956.505</b>
<b>Assets</b>		<b>38.865.463</b>	<b>28.879.422</b>

## Balance sheet at 30.06.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Contributed capital		125.000	125.000
Reserve for net revaluation according to the equity method		7.727.709	6.776.859
Retained earnings		<u>11.049.341</u>	<u>10.775.590</u>
<b>Equity</b>		<b><u>18.902.050</u></b>	<b><u>17.677.449</u></b>
Deferred tax		85.000	119.000
Other provisions		<u>1.190.215</u>	<u>513.286</u>
<b>Provisions</b>		<b><u>1.275.215</u></b>	<b><u>632.286</u></b>
Bank loans		<u>0</u>	<u>23.007</u>
<b>Non-current liabilities other than provisions</b>		<b><u>0</u></b>	<b><u>23.007</u></b>
Current portion of long-term liabilities other than provisions		0	55.000
Bank loans		731	0
Trade payables		1.724.977	691.281
Payables to group enterprises		7.145.479	6.232.320
Income tax payable		317.924	1.243.373
Other payables		<u>9.499.087</u>	<u>2.324.706</u>
<b>Current liabilities other than provisions</b>		<b><u>18.688.198</u></b>	<b><u>10.546.680</u></b>
<b>Liabilities other than provisions</b>		<b><u>18.688.198</u></b>	<b><u>10.569.687</u></b>
<b>Equity and liabilities</b>		<b><u>38.865.463</u></b>	<b><u>28.879.422</u></b>
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## Statement of changes in equity for 2017/18

	<b>Contributed capital DKK</b>	<b>Reserve for net revaluation according to the equity method DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	125.000	6.776.859	10.775.590	17.677.449
Exchange rate adjustments	0	0	(509.287)	(509.287)
Profit/loss for the year	0	950.850	783.038	1.733.888
<b>Equity end of year</b>	<b>125.000</b>	<b>7.727.709</b>	<b>11.049.341</b>	<b>18.902.050</b>

## Notes

	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	17.867.129	12.338.840
Pension costs	511.244	559.815
Other social security costs	133.780	147.822
Other staff costs	751.011	702.471
	<b>19.263.164</b>	<b>13.748.948</b>
Average number of employees	<b>28</b>	

	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Tax on profit/loss for the year</b>		
Current tax	478.179	480.054
Change in deferred tax	(34.000)	(2.300)
	<b>444.179</b>	<b>477.754</b>

### 3. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 these entities.

### 4. Assets charged and collateral

#### Collateral security provided for subsidiaries and other group enterprises

The Entity has guaranteed the subsidiaries' (GHD Sverige AB) bankdebt.

### 5. Group relations

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

Jemella Group Ltd., Leeds, England.

## 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.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and 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.

#### Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods. This item includes ordinary writedowns of such inventories.

#### 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.

## Accounting policies

### 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 group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

### Other financial income

Other financial income comprises interest income, including tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including tax surcharge under the Danish Tax Prepayment Scheme etc.

### 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.

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Software are amortised over the term of the agreement, but over no more than 4 years.

#### Property, plant and equipment

Plant and machinery as well as 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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Cars	3-5 years
Other fixtures and fittings, tools and equipment	4-5 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 group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

### Inventories

Inventories are measured at the lower of cost using the weighted average prices method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.



## Accounting policies

### Receivables

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

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### 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 anticipated costs of non-recourse guarantee commitments.

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.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

### 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 computed on this year's taxable income, adjusted for prepaid tax