

ISS Holding France A/S

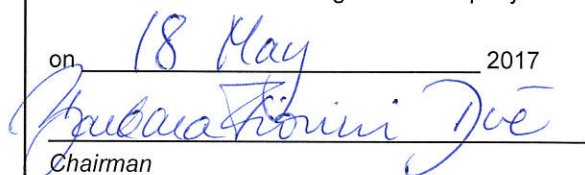
Buddingevej 197

2860 Søborg

Annual Report 2016

The Annual Report was presented and adopted at
the Annual General Meeting of the Company

on 18 May 2017


Chairman

CVR nr. 29 21 72 03

This report contains 15 pages

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Statement by the Board of Directors and the Executive Board

The Board of Directors and Executive Board have today discussed and adopted the annual report of ISS Holding France A/S for the financial year 1 January – 31 December 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 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development and performance of the Company's activities and of the Company's results for the year and the financial position as a whole.

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

Søborg, den 27 April 2017

Executive Board:



Bjørn Raasteen

Board of Directors:



Pierre-François Riolacci
Chairman



Bjørn Raasteen



Peter Harder Thomsen

Independent auditor's report

To the shareholders of ISS Holding France A/S

Opinion

We have audited the financial statements of ISS Holding France A/S for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 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 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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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.

Independent auditor's report

- ▶ 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 conclusion is 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.


Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the 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 of the Management's review.

Copenhagen, 27 April 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Michael Groth Hansen
State Authorised
Public Accountant

Company Information

Company details

ISS Holding France A/S
Buddingevej 197
DK - 2860 Søborg

CVR No: 29 21 72 03
Established: 27 December 2005
Registered office: Søborg
Financial year: 1 January - 31 December

Board of Directors

Pierre-François Riolacci (Chairman)
Bjørn Raasteen
Peter Harder Thomsen

Executive Board

Bjørn Raasteen

Auditors

ERNST & YOUNG
Godkendt Revisionspartnerselskab
Osvold Helmuths Vej 4
DK - 2000 Frederiksberg

Annual General Meeting

The Annual General Meeting is expected to be held on 18 May 2017 at the Company's address.

Management's Review

Operating review

The company is founded with the purpose of possessing shares in ISS Holding Paris SA, France.

Development in activities and financial position

The company had in 2016 financial income of 5,445 T.DKK (2015 30,916 T.DKK) and financial expenses of 21,232 T.DKK (2015 20,322 T.DKK). Income from subsidiaries amounted to 643,057 T.DKK (2015 0 T.DKK), mainly due to reversal of write-down of 580.000 T.DKK regarding investment in subsidiaries.

Result for the year is a profit of 629,552 T.DKK (2015 8,002 T.DKK). The result for the year is better than expected.

Events after the balance sheet date

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

Financial statements for period 1 January - 31 December 2016

Income statement

	Note	2016 T.DKK	2015 T.DKK
Financial income	2	5,445	30,916
Financial expenses	3	-21,232	-20,322
Income from subsidiaries	6	643,057	-
Other expenses	4	-20	-12
Profit before tax		627,250	10,582
Tax on profit for the year	5	2,302	-2,580
Profit for the year		629,552	8,002

Proposed profit appropriation

Retained earnings	629,552	8,002
	<u>629,552</u>	<u>8,002</u>

Financial statements for period 1 January – 31 December 2016

Balance sheet

	Note	2016 T.DKK	2015 T.DKK
ASSETS			
Investments			
Investments in subsidiaries	6	3,048,240	2,468,240
Investments		<u>3,048,240</u>	<u>2,468,240</u>
Long term receivables			
Receivables from affiliates		312,597	-
Receivables		<u>312,597</u>	<u>-</u>
Short term receivables			
Receivables from affiliates		3	-
Receivables		<u>3</u>	<u>-</u>
TOTAL ASSETS		<u>3,360,840</u>	<u>2,468,240</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	100,000	100,000
Retained earnings		1,624,547	994,995
Total equity	7	<u>1,724,547</u>	<u>1,094,995</u>
Long-term debt			
Debt to affiliates		1,636,272	1,373,226
Long-term debt		<u>1,636,272</u>	<u>1,373,226</u>
Short-term debt			
Trade payables		13	13
Other payables		8	6
Short-term debt		<u>21</u>	<u>19</u>
TOTAL EQUITY AND LIABILITIES		<u>3,360,840</u>	<u>2,468,240</u>
Contingent liabilities			
Related parties	9 10		

Financial statements for period 1 January - 31 December 2016

Notes to the financial statements

1 Accounting policies

Basis of Preparation

The Financial Statements of ISS Holding France A/S for the financial year ended 31 December 2016 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B with some additional choices of certain provisions applying to class C.

The accounting policies are consistent with those of last year.

In accordance with § 112 of the Danish Financial Statements Act, consolidated financial statements have not been prepared as the company and its subsidiary are included in the consolidated financial statement of the parent company ISS Global A/S (CVR no. 21 40 83 95) and ISS A/S (CVR no. 28 50 47 99).

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 below. Recognition and measurement take into account gains, losses and risks that arise before the annual report is presented and which prove or disprove matters existing at the balance sheet date.

Value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciations, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts previously recognised in the income statement.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the date of the transaction. Assets and liabilities in foreign currencies are translated at the exchange rates at the balance sheet date. Gains and losses 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.

Financial statements for period 1 January - 31 December 2016

Notes to the financial statements

1 Accounting policies (continued)

Income Statement

Financial income and expenses

Financial income and expenses comprise interests, realised and unrealised gains and losses on foreign currency. Financial expenses also includes additional charges or refunds included in the Danish tax on account scheme. Financial income and expenses are recognised in the income statement irrespective of payment.

Income from subsidiaries

Income from subsidiaries include dividends declared during the year and gains and losses from sale of subsidiaries. If the dividends declared exceed the accumulated earnings the dividends are not recognised in the income statement but is instead recognised as a reduction of cost price.

Other operating expenses

Other operating expenses include expenses for external assistance as well as other administrative expenses.

Tax on profit/loss 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.

Balance Sheet

Investments

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value. Cost is reduced with received dividends which exceeds the accumulated earnings after acquisition.

Receivables

Receivables are measured at amortised cost less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Financial statements for period 1 January - 31 December 2015

Notes to the financial statements

1 Accounting policies (continued)

Corporation tax and deferred tax

The company is covered by the Danish rules of joint taxation with the ultimate Danish holding company ISS A/S and other Danish subsidiaries. ISS A/S is the management company for the joint taxation and settles all tax payments with the tax authorities. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). Payable and receivable joint tax contributions are recognised in the balance sheet as receivables or debt to affiliates.

Deferred tax is measured in accordance with the liability method and comprises all temporary differences between accounting and tax values of assets and liabilities. When alternative taxation rules can be applied to determine the tax base, deferred tax is measured according to management's intended use of the assets or settlement of the liability, respectively.

Deferred tax is measured according to the taxation rules and tax rates applicable at the reporting date when the deferred tax is expected to be realised as current tax. Deferred tax assets, including the tax base of tax losses carried forward, are recognised at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Debt

Debt is measured at net realisable value.

Financial statements for period 1 January – 31 December 2016

Notes to the financial statements

	2016	2015
	T.DKK	T.DKK
2 Financial income		
Interest income from affiliates	5,445	27,031
Gain on foreign exchange	-	3,885
	<u>5,445</u>	<u>30,916</u>
3 Financial expenses		
Interest expenses to affiliates	-20,240	-20,322
Loss in foreign exchange	-988	-
Other financial expenses	-4	-
	<u>-21,232</u>	<u>-20,322</u>
4 Staff costs		
There are no employees of the company. Executive Board and Board of Directors have received no remuneration. Executive Board and Board of Directors are employed in and receive remuneration from ISS A/S or ISS World Services A/S.		
5 Income taxes		
Current tax for the year	2,302	-2,487
Tax relating to previous years	-	-93
	<u>2,302</u>	<u>-2,580</u>

The company has no deferred tax.

Financial statements for period 1 January – 31 December 2016

Notes to the financial statements

		2016	2015
		T.DKK	T.DKK
6 Investments in subsidiaries			
Cost at 1 January		5,195,040	3,702,860
Additions		-	1,492,180
Cost at 31 December		5,195,040	5,195,040
Revaluation at 1 January		-2,726,800	-2,726,800
Reversal of prior years' write-down of investment in subsidiaries		580,000	-
Revaluation at 31 December		-2,146,800	-2,726,800
Carrying amount at 31 December		3,048,240	2,468,240
Income from subsidiaries			
Received dividend		63,057	-
Reversal of prior years' write-down of investment in subsidiaries		580,000	-
Revaluation at 31 December 2016		643,057	-
7 Equity			
T.DKK	Share capital	Retained earnings	Total
Balance at 1 January 2016	100,000	994,995	1,094,995
Distribution of profit	-	629,552	629,552
Balance at 31 December 2016	100,000	1,624,547	1,724,547

The share capital consist of 100 million shares of a nominal value of DKK 1.

Financial statements for period 1 January – 31 December 2016

Notes to the financial statements

8 Share capital

T.DKK	2016	2015	2014	2013	2012
Share capital at 1 January	100,000	100,000	100,000	50,000	50,000
Capital increase	-	-	-	50,000	-
Share capital at 31 December	100,000	100,000	100,000	100,000	50,000

9 Contingent liabilities

The company is jointly registered for VAT with ISS World Services A/S and is jointly liable for the payment hereof.

The company is jointly taxed with the Danish companies in the ISS Group. Together with the other Danish companies, the company have a joint and unlimited liability of Danish corporation taxes and Danish withholding taxes on dividends, interests and royalties in the joint taxation. At 31 December 2016, the jointly taxed companies' net liabilities to SKAT amounted to T.DKK 0. Any subsequent corrections of the taxable income subject to joint taxation may entail that the Company's liability will increase.

In addition, there are no company liabilities not recognised in the financial statement.

10 Related party disclosures

ISS Holding France A/S's related parties comprise the following:

Parties exercising control

ISS Global A/S owns 100% of the shares of the company. The company is included in the consolidated financial statements for ISS Global A/S (CVR no. 21 40 83 95) and Danish holding company ISS A/S (CVR no. 28 50 47 99), both Buddingevej 197, DK - 2860 Søborg.

Transactions with related parties

In addition to deposits, loans and interest on the outstanding balances there have been no transactions with related parties.