

Inspecta Denmark A/S

Vadgårdsvej 25
DK-6830 Nørre Nebel


CVR no. 29 31 18 89

Annual report 2016

The annual report was presented and approved at the
Company's annual general meeting on

31 May 2017

Johannes Hendrikus Frederik van der Wart
chairman

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned to the right of the printed name and title.

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Inspecta Denmark 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.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

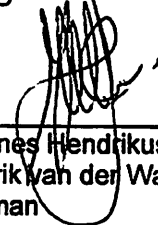
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Nørre Nebel, 31 May 2017
Executive Board:


Jens Bruun Kristensen

Board of Directors:


Johannes Hendrikus
Frederik van der Wart
Chairman

Veikko Tapio Räsänen


Jens Bruun Kristensen

Thomas Lorentz-
Petersen
Staff Representative



Independent auditor's report

To the shareholder of Inspecta Denmark A/S

Opinion

We have audited the financial statements of Inspecta Denmark A/S for the financial year 1 January – 31 December 2016 comprising 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 Company's assets, liabilities and financial position 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 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 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 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 and for such internal control that 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.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



Independent auditor's report

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 the work we have performed, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 31 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

A blue ink signature of Michael Mortensen, written in a cursive style.

Michael Mortensen
State Authorised
Public Accountant

Inspecta Denmark A/S
Annual report 2016
CVR no. 29 31 18 89

Management's review

Company details

Inspecta Denmark A/S
Vadgårdsvej 25
DK-6830 Nørre Nebel

Telephone: +45 70229770
Website: www.inspecta.com
E-mail: info@inspecta.dk

CVR no.: 29 31 18 89
Established: 1 January 2006
Registered office: Nørre Nebel
Financial year: 1 January – 31 December

Board of Directors

Johannes Hendrikus Frederik van der Wart, Chairman
Veikko Tapio Räsänen
Jens Bruun Kristensen
Thomas Lorentz-Petersen, Staff Representative

Executive Board

Jens Bruun Kristensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Management's review

Operating review

Principal activities

The Company's activity consists primarily of the inspection of elevators, tanks and boilers and related activity.

Development in activities and financial position

Profit for the year amounted to DKK 3,206 thousand (2015: DKK 3,515 thousand), which is considered satisfactory and in line with expectations.

Equity stood at DKK 11,224 thousand at 31 December 2016.

The Company expects to report a profit increase for 2017.

Events after the balance sheet date

No events have occurred since the balance sheet date, which materially affects the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2016	2015
Gross profit		42,372,855	40,210,082
Staff costs	2	-36,500,575	-34,099,324
Depreciation of property, plant and equipment as well as amortisation of intangible assets and impairment losses		-1,591,624	-1,416,605
Operating profit		4,280,656	4,694,153
Financial income		0	8,011
Financial expenses	3	-170,878	-181,845
Profit before tax		4,109,778	4,520,319
Tax on profit for the year	4	-904,196	-1,005,673
Profit for the year		3,205,582	3,514,646
Proposed profit appropriation			
Retained earnings		3,205,582	3,514,646
		3,205,582	3,514,646

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2016	2015
ASSETS			
Fixed assets			
Intangible assets	5		
Goodwill		0	0
Software		710,628	790,622
		<u>710,628</u>	<u>790,622</u>
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		13,404,872	11,502,213
		<u>13,404,872</u>	<u>11,502,213</u>
Investments			
Receivables (non-current)		200,000	200,000
		<u>200,000</u>	<u>200,000</u>
Total fixed assets		<u>14,315,500</u>	<u>12,492,835</u>
Current assets			
Receivables			
Trade receivables		9,149,342	8,660,088
work in progress		250,000	0
Other receivables		32,290	0
Prepayments		325,054	133,596
		<u>9,756,686</u>	<u>8,793,684</u>
Total current assets		<u>9,756,686</u>	<u>8,793,684</u>
TOTAL ASSETS		<u><u>24,072,186</u></u>	<u><u>21,286,519</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital		500,000	500,000
Retained earnings		<u>10,723,934</u>	<u>7,518,352</u>
Total equity		<u>11,223,934</u>	<u>8,018,352</u>
Provisions			
Provisions for deferred tax		<u>1,044,090</u>	<u>766,885</u>
Total provisions		<u>1,044,090</u>	<u>766,885</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations	7	<u>617,335</u>	<u>495,938</u>
		<u>617,335</u>	<u>495,938</u>
Current liabilities other than provisions			
Current portion of non-current liabilities	7	292,548	161,606
Trade payables		544,174	1,420,620
Payables to group entities		6,945,334	5,348,106
Corporation tax		546,062	817,043
Other payables		<u>2,858,709</u>	<u>4,257,969</u>
		<u>11,186,827</u>	<u>12,005,344</u>
Total liabilities other than provisions		<u>11,804,162</u>	<u>12,501,282</u>
TOTAL EQUITY AND LIABILITIES		<u><u>24,072,186</u></u>	<u><u>21,286,519</u></u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	500,000	7,518,352	8,018,352
Transferred over the profit appropriation	<u>0</u>	<u>3,205,582</u>	<u>3,205,582</u>
Equity at 31 December 2016	<u>500,000</u>	<u>10,723,934</u>	<u>11,223,934</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Inspecta Denmark A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies 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 or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Gross profit includes revenue and other external costs.

Revenue

Income from the sale of services is recognised in the income statement provided that the service has been rendered before year end and that the income can be reliably measured and is expected to be received (production method). Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Software

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over an amortisation period of 3 years.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Property, plant and equipment

Fixtures and fittings, tools 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 on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

DKK	2016	2015
2 Staff costs		
Wages and salaries	30,861,587	29,387,603
Pensions	4,077,055	3,981,324
Other social security costs	576,358	109,674
Other staff costs	985,575	620,723
	<u>36,500,575</u>	<u>34,099,324</u>
Average number of full-time employees	<u>56</u>	<u>52</u>
3 Financial expenses		
Interest expense from group enterprises	128,627	112,099
Other interest expense	42,251	69,746
	<u>170,878</u>	<u>181,845</u>
4 Tax on profit for the year		
Current tax for the year	546,062	603,422
Deferred tax for the year	358,134	402,251
	<u>904,196</u>	<u>1,005,673</u>

Financial statements 1 January – 31 December

Notes

5 Intangible assets

DKK	Goodwill	Software
Cost at 1 January	1,500,000	929,969
Cost at 31 December 2016	1,500,000	929,969
Impairment losses and amortisation at 1 January 2016	-1,500,000	-139,347
Amortisation for the year	0	-79,994
Cost at 31 December 2016	-1,500,000	-219,341
Carrying amount at 31 December 2016	0	710,628

6 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2016	15,569,109
Additions	3,414,289
Disposals	-383,840
Cost at 31 December 2016	18,599,558
Impairment losses and depreciation at 1 January 2016	-4,066,896
Revaluations at 1 January 2016	-4,066,896
Depreciation	-1,511,630
Disposals	383,840
Depreciation and impairment losses at 31 December 2016	-1,127,790
Carrying amount at 31 December 2016	13,404,872

Financial statements 1 January – 31 December

Notes

7 Non-current liabilities other than provisions

DKK	2016	2015
Lease obligations		
Between 1 and 5 years	617,335	495,938
Within 1 year	292,548	161,606

8 Contractual obligations, contingencies, etc.

The Company has entered into an operating lease for operating equipment. The lease expires in November 2017, and the total nominal residual lease payment amounts to DKK 384 thousand.

The Company has entered into an operating lease for property with an annual lease payment of DKK 476 thousand. The property lease is interminable until 1 May 2019.

Joint taxation contingent liability

The Company is jointly taxed with the group entity. The Companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties. The Company participates in a group cash-pool. All participants have joint liability for the cash-pool.

Contingent liabilities

The company has provided an unlimited guarantee towards the banks providing the Acta group financing.

9 Related party disclosures

The Company is part of the consolidated financial statements of the ACTA* Holding B.V., registered office Sir Winston Churchilllaan 273, 2288EA Rijswijk, the Netherlands, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of ACTA* Holding B.V. can be obtained at its registered address.