
Howden Holdings ApS

Industrivej 23, DK-4700 Næstved

Annual Report for 1 January - 31 December 2019

CVR No 29 61 64 50

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
17/9 2020

Kenneth Ladefoged
Petersen
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Howden Holdings ApS for the financial year 1 January - 31 December 2019.

The Annual Report is 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 at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Næstved, 17 September 2020

Executive Board

Kenneth Ladefoged Petersen

Board of Directors

Frederick James Hearle
Chairman

Mark Paul Lehman

Kenneth Ladefoged Petersen

Independent Auditor's Report

To the Shareholder of Howden Holdings ApS

Opinion

We have audited the Financial Statements of Howden Holdings ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 requirements.

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 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.

Independent Auditor's Report

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 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.

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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Frederiksberg, 17 September 2020

EY

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Christina Maria Davidsen

statsautoriseret revisor

mne34174

Company Information

The Company

Howden Holdings ApS
Industrivej 23
DK-4700 Næstved

CVR No: 29 61 64 50
Financial period: 1 January - 31 December
Municipality of reg. office: Næstved

Board of Directors

Frederick James Hearle, Chairman
Mark Paul Lehman
Kenneth Ladefoged Petersen

Executive Board

Kenneth Ladefoged Petersen

Auditors

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Bankers

Danske Bank

Management's Review

Key activities

The Company's main activity is to act as a holding company for Howden Group's activities in more countries worldwide.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> EURk	<u>2018</u> EURk
Gross profit/loss		-13	0
Income from investments in subsidiaries		1.677	33.614
Financial income	2	2.839	0
Financial expenses	2,3	<u>-9.734</u>	<u>-67.061</u>
Resultat før skat		-5.231	-33.447
Tax on profit/loss for the year	4	<u>215</u>	<u>548</u>
Net profit/loss for the year		<u>-5.016</u>	<u>-32.899</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-5.016</u>	<u>-32.899</u>
		<u>-5.016</u>	<u>-32.899</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2019</u> EURk	<u>2018</u> EURk
Investments in subsidiaries		268.990	314.039
Fixed asset investments		268.990	314.039
Fixed assets		268.990	314.039
Receivables from group enterprises		27.057	0
Other receivables		1	1
Deferred tax asset		0	550
Corporation tax		765	507
Receivables		27.823	1.058
Cash at bank and in hand		998	6
Currents assets		28.821	1.064
Assets		297.811	315.103

Balance Sheet 31 December

Liabilities and equity

	Note	2019 EURk	2018 EURk
Share capital		217.818	217.818
Retained earnings		-57.232	-52.216
Equity	5	160.586	165.602
Trade payables		7	7
Payables to group enterprises		137.216	149.492
Corporation tax		2	2
Short-term debt		137.225	149.501
Debt		137.225	149.501
Liabilities and equity		297.811	315.103
Subsequent events	1		
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Notes to the Financial Statements

1 Subsequent events

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

	<u>2019</u> EURk	<u>2018</u> EURk
2 Special items		
Impairment losses on investments in subsidiaries	8.766	64.568
	8.766	64.568

3 Financial expenses

Impairment losses on financial assets	8.766	64.568
Interest paid to group enterprises	967	2.493
Exchange adjustments	1	0
	9.734	67.061

4 Tax on profit/loss for the year

Current tax for the year	-765	2
Deferred tax for the year	550	-550
	-215	-548

5 Equity

	<u>Share capital</u> EURk	<u>Retained earnings</u> EURk	<u>Total</u> EURk
Equity at 1 January	217.818	-52.216	165.602
Net profit/loss for the year	0	-5.016	-5.016
Equity at 31 December	217.818	-57.232	160.586

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to EURk 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

7 Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company

<u>Name</u>	<u>Place of registered office</u>
Granite Holdings II B.V.	The Netherlands

The Group Annual Report may be obtained at the following address:

Howden Group Limited
Old Govan Road
Renfrew PA4 8XJ
Scotland

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Howden Holdings ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements are presented in EUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Granite Holdings II B.V., the Company has not prepared consolidated financial statements.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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 statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

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

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

The Company is jointly taxed with all Danish group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.