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# ***Howden Water Technology A/S***

Industrivej 23, DK-4700 Næstved

## **Annual Report for 1 January - 31 December 2019**

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CVR No 31 94 09 74

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/8 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 Water Technology A/S 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, 31 August 2020

## **Executive Board**

Alastair Irvine

## **Board of Directors**

Ross Benjamin Shuster  
Chairman

Alastair Irvine

Allan Jan Formann Kristensen

# **Independent Auditor's Report**

To the Shareholder of Howden Water Technology A/S

## **Opinion**

We have audited the Financial Statements of Howden Water Technology A/S 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, 31 August 2020

**EY**

Godkendt Revisionspartnerselskab

*CVR No 30 70 02 28*

Christina Maria Davidsen

statsautoriseret revisor

mne34174

## **Company Information**

### **The Company**

Howden Water Technology A/S  
Industrivej 23  
DK-4700 Næstved

CVR No: 31 94 09 74  
Financial period: 1 January - 31 December  
Municipality of reg. office: Næstved

### **Board of Directors**

Ross Benjamin Shuster, Chairman  
Alastair Irvine  
Allan Jan Formann Kristensen

### **Executive Board**

Alastair Irvine

### **Auditors**

EY  
Godkendt Revisionspartnerselskab  
Dirch Passers Allé 36  
DK-2000 Frederiksberg

### **Bankers**

Danske Bank

# **Management's Review**

## **Key activities**

There have been no activities in the financial year.

## **Development in the year**

The income statement of the Company for 2019 shows a loss of DKK 76,444, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 670,870.



## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Gross profit/loss</b>		<b>-68.019</b>	<b>-4.999</b>
Financial income	1	40	0
Financial expenses	2	<u>-30.110</u>	<u>-77.644</u>
<b>Profit/loss before tax</b>		<b>-98.089</b>	<b>-82.643</b>
Tax on profit/loss for the year	3	<u>21.645</u>	<u>18.200</u>
<b>Net profit/loss for the year</b>		<b><u>-76.444</u></b>	<b><u>-64.443</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>-76.444</u>	<u>-64.443</u>
		<b><u>-76.444</u></b>	<b><u>-64.443</u></b>

## Balance Sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Assets</b>			
Receivables from group enterprises		1.730.975	1.761.085
Other receivables		40	31
Deferred tax asset		0	18.200
Corporation tax		39.845	31.122
<b>Receivables</b>		<b><u>1.770.860</u></b>	<b><u>1.810.438</u></b>
<b>Currents assets</b>		<b><u>1.770.860</u></b>	<b><u>1.810.438</u></b>
<b>Assets</b>		<b><u>1.770.860</u></b>	<b><u>1.810.438</u></b>
<b>Liabilities and equity</b>			
Share capital		2.980.000	2.980.000
Retained earnings		-2.309.130	-2.232.686
<b>Equity</b>	4	<b><u>670.870</u></b>	<b><u>747.314</u></b>
Payables to group enterprises		1.099.990	1.063.124
<b>Short-term debt</b>		<b><u>1.099.990</u></b>	<b><u>1.063.124</u></b>
<b>Debt</b>		<b><u>1.099.990</u></b>	<b><u>1.063.124</u></b>
<b>Liabilities and equity</b>		<b><u>1.770.860</u></b>	<b><u>1.810.438</u></b>
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## Notes to the Financial Statements

	2019 DKK	2018 DKK	
<b>1 Financial income</b>			
Other financial income	40	0	
	<b>40</b>	<b>0</b>	
<b>2 Financial expenses</b>			
Interest paid to group enterprises	0	12.020	
Other financial expenses	0	1.846	
Exchange loss	30.110	63.778	
	<b>30.110</b>	<b>77.644</b>	
<b>3 Tax on profit/loss for the year</b>			
Current tax for the year	-39.845	0	
Deferred tax for the year	18.200	-18.200	
	<b>-21.645</b>	<b>-18.200</b>	
<b>4 Equity</b>			
	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	2.980.000	-2.232.686	747.314
Net profit/loss for the year	0	-76.444	-76.444
<b>Equity at 31 December</b>	<b>2.980.000</b>	<b>-2.309.130</b>	<b>670.870</b>
<b>5 Contingent assets, liabilities and other financial obligations</b>			
<b>Contingent liabilities</b>			

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 is disclosed in the Annual Report of Howden Holdings ApS, which is the management company of the joint taxation purposes. 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.

# Notes to the Financial Statements

## 6 Accounting Policies

The Annual Report of Howden Water Technology A/S 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.

The Financial Statements for 2019 are presented in DKK.

### 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.

## Income Statement

### Gross profit/loss

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

### 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.

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

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Balance Sheet

#### 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.