

**Inspecta Project Services A/S**

**Annual report 2015**

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

on 25th May 20 16

Otto T Ravn   
\_ general meeting chairman

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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 Project Services A/S for the financial year 1 January – 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

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 should be approved at the annual general meeting.

Esbjerg, 25 May 2016

Executive Board:



Otto T. Ravn

Board of Directors:



Timo Okkonen  
Chairman



Veikko Tapio Räsänen



Otto T. Ravn



## Independent auditor's report

To the shareholders of Inspecta Project Services A/S

### Independent auditor's report on the financial statements

We have audited the financial statements of Inspecta Project Services A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### *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.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

#### **Statement on the Management's review**

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 25 May 2016

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Michael Mortensen  
State Authorised  
Public Accountant

## **Management's review**

### **Company details**

Inspecta Project Services A/S  
Skippergade 1  
DK-6700 Esbjerg

Telephone:	+45 75 13 00 50
Telefax	+45 75 13 00 57
Website:	<a href="http://www.inspecta.com">www.inspecta.com</a>
E-mail:	<a href="mailto:otto.ravn@inspecta.com">otto.ravn@inspecta.com</a>
CVR no.:	32 84 19 02
Established:	13 April 2010
Registered office:	Esbjerg
Financial year:	1 January – 31 December

### **Board of Directors**

Timo Okkonen, Chairman  
Veikko Tapio Räsänen  
Otto T. Ravn

### **Executive Board**

Otto T. Ravn

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
8210 Aarhus V  
Denmark

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's principal activities consist of inspection and accreditation of pressure-containing storage tanks as well as onshore and offshore equipment.

#### **Development in the year**

Results for the year showed a loss of DKK 1,704 thousand, which is unsatisfactory and down on expectations from last year. The Company expects to enjoy a better performance for the 2016 financial year.

#### **Subsequent events**

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

## **Financial statements 1 January – 31 December**

### **Accounting policies**

The annual report of Inspecta Project Services A/S for 2015 has been presented in accordance with the provisions applying to reporting class B entities as well as selected rules applying to reporting class C under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

### **Income statement**

#### **Gross profit**

The Company uses the regulations in the Danish Financial Statements Act section 32, after which the Company's revenue is not stated.

Gross profit comprise revenue, changes in work in progress and external expenses.

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received. Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are deducted from revenue.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

#### **Other external costs**

Other external costs include expenses related to the Company's ordinary activities, including expenses for premises, stationary and office supplies, advertising, administration, bad debts, payments under operating leases, etc.

#### **Staff costs**

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

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial items comprise interest income and interest expense, costs of finance leases as well as realised and unrealised gains and losses on securities, payables and transactions 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 for the year**

The Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The Company is included in the joint taxation from the date of takeover when they are included in the consolidated financial statements until the date of disposal when they exit the consolidation.

Current Danish corporation tax is allocated by the settlement of joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In relation thereto, enterprises with tax losses receive joint taxation contributions from enterprises which have been able to use this loss to reduce their tax loss.

Tax for the year comprises current tax 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 at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

### **Balance sheet**

#### **Goodwill**

Goodwill acquired are measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life. The estimated useful lives are 10 years.

Goodwill in strategic investments are depreciated over the expected useful lifetime which are 10 years based on Management's experience within the relevant business areas.

Goodwill is written down to the lower of recoverable amount and carrying amount.



## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Property, plant and equipment**

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment write-down.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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, which is calculated as cost less any 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
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price 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.

#### **Receivables**

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

#### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion at the total estimated income from the individual contract in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

### **Prepayments**

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

### **Equity**

#### ***Dividends***

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised on 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 measured on the planned use of the asset or settlement of the liability.

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. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and in equity.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Liabilities**

Trade payables and amounts owed to group enterprises are recognised at amortised cost, which usually corresponds to nominal value.

Other liabilities are measured at net realisable value.

#### **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 and 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.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2015	2014
<b>Gross profit</b>		20,445,014	18,008,765
Staff costs	1	-21,350,771	-18,938,518
Depreciation, amortisation and impairment losses	2	-772,663	-855,295
<b>Profit/loss before financial income and expenses</b>		-1,678,420	-1,785,048
Financial income		13,376	1,373
Financial expenses	3	-38,866	-33,234
<b>Profit/loss before tax</b>		-1,703,910	-1,816,909
Tax on profit/loss for the year		0	0
<b>Profit/loss for the year</b>		<u>-1,703,910</u>	<u>-1,816,909</u>
<b>Proposed profit appropriation/distribution of loss</b>			
Retained earnings		<u>-1,703,910</u>	<u>-1,816,909</u>
		<u>-1,703,910</u>	<u>-1,816,909</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2015	2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>	4		
Goodwill		345,083	427,083
		<u>345,083</u>	<u>427,083</u>
<b>Property, plant and equipment</b>	5		
Fixtures and fittings, tools and equipment		1,576,098	1,443,998
Leasehold improvements		210,270	402,448
		<u>1,786,368</u>	<u>1,846,446</u>
<b>Total non-current assets</b>		<u>2,131,451</u>	<u>2,273,529</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		6,013,331	3,064,506
Contract work in progress	6	200,000	567,000
Receivables from group entities		540,163	517,998
Other receivables		16,388	50,281
Prepayments		60,225	34,876
		<u>6,830,107</u>	<u>4,234,661</u>
<b>Cash at bank and in hand</b>		<u>767</u>	<u>2,664,124</u>
<b>Total current assets</b>		<u>6,830,874</u>	<u>6,898,785</u>
<b>TOTAL ASSETS</b>		<u><u>8,962,325</u></u>	<u><u>9,172,314</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	7		
Share capital		600,000	525,000
Retained earnings		3,804,166	4,083,076
<b>Total equity</b>		<u>4,404,166</u>	<u>4,608,076</u>
<b>Current liabilities other than provisions</b>			
Trade payables		1,825,149	782,516
Payables to group entities		1,481,238	1,500,000
Other payables		1,251,772	2,281,722
		<u>4,558,159</u>	<u>4,564,238</u>
<b>Total liabilities other than provisions</b>		<u>4,558,159</u>	<u>4,564,238</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>8,962,325</u>	<u>9,172,314</u>
<b>Rental agreements and leases</b>	8		
<b>Contingent assets, liabilities and other financial obligations</b>	9		
<b>Related parties and ownership</b>	10		

## **Financial statements 1 January – 31 December**

### **Statement of changes in equity**

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	525,000	4,083,076	4,608,076
Cash capital increase	75,000	1,425,000	1,500,000
Net profit/loss for the year	0	-1,703,910	-1,703,910
<b>Equity at 31 December 2015</b>	<b>600,000</b>	<b>3,804,166</b>	<b>4,404,166</b>

## Financial statements 1 January – 31 December

### Notes

	2015	2014
DKK		
<b>1 Staff costs</b>		
Wages and salaries	19,644,783	17,430,698
Pensions	1,384,355	1,203,050
Other social security costs	321,632	304,770
	<u>21,350,770</u>	<u>18,938,518</u>
<b>2 Depreciation, amortisation and impairment losses</b>		
Depreciation, intangible assets	82,000	82,000
Depreciation, property, plant and equipment	690,663	773,295
	<u>772,663</u>	<u>855,295</u>
<b>3 Financial expenses</b>		
Interest paid to subsidiaries	11,125	18,144
Other financial expenses	14,087	2,707
Exchange loss	13,654	12,383
	<u>38,866</u>	<u>33,234</u>



## Financial statements 1 January – 31 December

### Notes

<b>4</b>	<b>Intangible assets</b>		
	DKK		Goodwill
	Cost at 1 January 2015		820,000
	Cost at 31 December 2015		820,000
	Impairment losses and amortisation at 1 January 2015		392,917
	Amortisation for the year		82,000
	Impairment losses and amortisation at 31 December 2015		474,917
	<b>Carrying amount at 31 December 2015</b>		<b>345,083</b>
<b>5</b>	<b>Property, plant and equipment</b>		
	DKK	Fixtures and fittings, tools and equipment	Leasehold improve- ments
	Cost at 1 January 2015	3,587,919	379,522
	Additions for the year	660,585	0
	Disposals for the year	-93,305	0
	Cost at 31 December 2015	4,155,199	379,522
	Impairment losses and depreciation at 1 January 2015	2,027,647	93,348
	Depreciation for the year	614,759	75,904
	Impairment and depreciation of sold assets for the year	-63,305	0
	Impairment losses and depreciation at 31 December 2015	2,579,101	169,252
	<b>Carrying amount at 31 December 2015</b>	<b>1,576,098</b>	<b>210,270</b>
<b>6</b>	<b>Contract work in progress</b>		
	DKK	2015	2014
	Work in progress, selling price	200,000	567,000
		<b>200,000</b>	<b>567,000</b>

## Financial statements 1 January – 31 December

### Notes

#### 7 Equity

The share capital is specified as follows:

600 shares of nom. DKK 1,000 each	600,000
	600,000

Changes in share capital are specified as follows:

DKK	2015	2014	2013	2012	2011
Share capital at 1 January 2015	525,000	525,000	525,000	500,000	500,000
Additions for the year	75,000	0	0	25,000	0
<b>Share capital at 31 December 2015</b>	<b>600,000</b>	<b>525,000</b>	<b>525,000</b>	<b>525,000</b>	<b>500,000</b>

#### 8 Rental agreements and leases

DKK	2015	2014
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	321,664	266,000
Between 1 and 5 years	271,051	1,087,892
	592,715	1,353,892

#### 9 Contingent assets, liabilities and other financial obligations

##### Contingent assets

Deferred tax is primarily incumbent upon tax-loss carryforwards. The total tax asset amounts to DKK 1,229 thousand. The tax asset is depreciated to DKK 0, due to uncertain expectations for future results.

##### Contingent liabilities

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

## **Financial statements 1 January – 31 December**

### **Notes**

#### **10 Related parties and ownership**

Inspecta Project Services A/S' related parties comprise the following:

##### **Parties exercising control**

Inspecta Holding Denmark A/S, Vadgardsvej 25, 6830 Nørre Nebel.

##### **Ultimate parent**

ACTA\* Holding B.V.

##### **Related party transactions**

The consolidated financial statements of ACTA\* Holding B.V. can be obtained at the following address:

Sir Winston Churchillaan 273  
2288EA Rijswijk  
Netherlands