

# Van Gelder A/S

c/o Winslow Advokatfirma, Gammle Strand 34, 1202 København K

Company reg. no. 35 04 57 67

## Annual report

**1 January - 31 December 2015**

The annual report have been submitted and approved by the general meeting on the 16 June 2016.

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**G.W.J. Veenhof**  
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

## **Management's report**

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The board of directors and the managing director have today presented the annual report of Van Gelder A/S for the financial year 1 January to 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 16 June 2016

### **Managing Director**

C.J.W. Schouten

### **Board of directors**

G.W.J. Veenhof

C.J.W. Schouten

P.F. Vellinga

## **The independent auditor's reports**

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### **To the shareholders of Van Gelder A/S**

#### **Report on extended review of the annual accounts**

We have performed extended review of the annual accounts of Van Gelder A/S for the financial year 1 January to 31 December 2015. The annual accounts comprise accounting policies used, profit and loss account, balance sheet and notes, and they are prepared in accordance with the Danish Financial Statements Act.

#### **The management's responsibility for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the annual accounts. We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and with the ethical requirements of the Danish Institute of State Authorised Public Accountants and that we plan and perform our audit procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the annual accounts.

Our extended review has not resulted in any comments.

## **The independent auditor's reports**

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### **Opinion**

Based on the work performed, it is our opinion that the annual accounts 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 to 31 December 2015 in accordance with the Danish Financial Statements Act.

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

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the extended review of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 16 June 2016

### **Redmark**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 29 44 27 89

Søren Kristiansen Bünger  
State Authorised Public Accountant

## Company data

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### The company

Van Gelder A/S  
c/o Winslow Advokatfirma  
Gammle Strand 34  
1202 København K

Company reg. no. 35 04 57 67  
Established: 6 February 2013  
Domicile: Copenhagen  
Financial year: 1 January - 31 December  
3rd financial year

### Board of directors

G.W.J. Veenhof,  
Betje wolfflaan 10  
3906 WN Veenendaal  
Holland  
C.J.W. Schouten,  
Arnhemseweg 24  
3832 GL Leusden  
Holland  
P.F. Vellinga,  
Aladnaweg 21  
7122 RP Aalten  
Holland

### Managing Director

C.J.W. Schouten,  
Arnhemseweg 24  
3832 GL Leusden  
Holland

### Auditors

Redmark, Statsautoriseret Revisionspartnerselskab  
Dirch Passers Allé 76  
2000 Frederiksberg

## **Management's review**

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### **The principal activities of the company**

The principal activities are the productions of constructions work, specified building of roads, tunnels, viaducts, bridgets, quay walls and related activities.

### **Development in activities and financial matters**

The net turnover for the year is DKK 110.582.000 against DKK 108.498.000 last year. The results from ordinary activities after tax are DKK 20.179.000 against DKK -11.176.000 last year. The management consider the results satisfactory.

All projects are finalized in 2015. The completion of the projects has proceeded better than expected and the cost regarding the completion has therefore been less than expected. The positive development from 2014 to 2015 is primarily due to a reversal of last years provision for loss on project at DKK 8.093.896. Furthermore a finalising of the projects to an earlier deadline has led to a higher turnover than expected.

### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

## **Accounting policies used**

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The annual report for Van Gelder A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.



## **Accounting policies used**

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Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

### **The profit and loss account**

#### **Net turnover**

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning construction contracts is recognised concurrently with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

#### **Production costs**

The production costs comprise costs, including salaries, wages and depreciation, which are incurred in order to achieve the net turnover of the year. Trade enterprises recognise cost of sales, and manufacturing enterprises recognise production costs corresponding to the turnover of the year. These costs include direct and indirect costs for raw materials and consumables, salaries and wages, rent and leasing, and depreciation on the production plant.

Furthermore, the production costs comprise research costs, development costs which do not meet the criteria for capitalisation, and amortisation of capitalised development costs.

Additionally, writedown in connection with expected losses on contracts are recognised.

#### **Administration costs**

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

#### **Net financials**

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

## Accounting policies used

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### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

### The balance sheet

#### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	3-5 years
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Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

#### Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

#### Work in progress for the account of others

Work in progress for the account of others is measured at the market value of the work performed. The market value is measured on basis of the scope of completion on the balance sheet date and the total expected income from the individual work in progress.

When the market value of a contract can not be determined reliably, the sales value is measured at the costs incurred or at the net realisable value, if this is lower.

## **Accounting policies used**

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The individual work in progress is recognised in the balance sheet under debtors or liabilities, depending on the net value of the sales price with deduction of prepayments and amounts invoiced on account.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Equity - dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets.

### **Other provisions**

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. The provisions are measured at the net realisable value and recognised on basis of the obtained experience with guarantee work. If provisions have an expected due date later than 1 year from the balance sheet date, they are discounted at the average bond interest.

## **Accounting policies used**

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When it is likely that the total costs will exceed the total income of work in progress for the account of others, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

### **Liabilities**

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

## Profit and loss account 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Net turnover	110.581.750	108.497.649
Production costs	<u>-86.559.001</u>	<u>-119.351.818</u>
<b>Gross results</b>	<b>24.022.749</b>	<b>-10.854.169</b>
Administration costs	<u>-834.464</u>	<u>-389.180</u>
<b>Operating profit</b>	<b>23.188.285</b>	<b>-11.243.349</b>
Other financial costs	<u>-112.653</u>	<u>-71.984</u>
<b>Results before tax</b>	<b>23.075.632</b>	<b>-11.315.333</b>
1 Tax on ordinary results	<u>-2.896.822</u>	<u>139.406</u>
<b>Results for the year</b>	<b><u>20.178.810</u></b>	<b><u>-11.175.927</u></b>
 <b>Proposed distribution of the results:</b>		
Allocated to results brought forward	20.178.810	0
Allocated from results brought forward	<u>0</u>	<u>-11.175.927</u>
<b>Distribution in total</b>	<b><u>20.178.810</u></b>	<b><u>-11.175.927</u></b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Assets</b>		<u>2015</u>	<u>2014</u>
<u>Note</u>			
<b>Fixed assets</b>			
2	Other plants, operating assets, and fixtures and furniture	<u>121.218</u>	<u>191.664</u>
	Tangible fixed assets in total	<u>121.218</u>	<u>191.664</u>
	<b>Fixed assets in total</b>	<b><u>121.218</u></b>	<b><u>191.664</u></b>
<b>Current assets</b>			
	Trade debtors	6.395.397	37.239.887
	Amounts owed by group enterprises	500.000	500.000
	Amounts owed by associated enterprises	<u>7.474.350</u>	<u>46.845</u>
	Debtors in total	<u>14.369.747</u>	<u>37.786.732</u>
	Cash funds	<u>1.361.963</u>	<u>7.721.401</u>
	<b>Current assets in total</b>	<b><u>15.731.710</u></b>	<b><u>45.508.133</u></b>
	<b>Assets in total</b>	<b><u>15.852.928</u></b>	<b><u>45.699.797</u></b>

## Balance sheet 31 December

All amounts in DKK.

<b>Equity and liabilities</b>		<u>2015</u>	<u>2014</u>
<u>Note</u>			
<b>Equity</b>			
4	Contributed capital	500.000	500.000
5	Results brought forward	9.432.482	-10.746.329
	<b>Equity in total</b>	<b><u>9.932.482</u></b>	<b><u>-10.246.329</u></b>
<b>Provisions</b>			
	Other provisions	0	8.093.896
	<b>Provisions in total</b>	<b><u>0</u></b>	<b><u>8.093.896</u></b>
<b>Liabilities</b>			
3	Work in progress for the account of others	0	26.231.632
	Trade creditors	2.230.215	12.335.360
	Debt to group enterprises	431.191	4.990.324
	Corporate tax	2.896.822	0
	Other debts	362.218	4.294.914
	Short-term liabilities in total	<u>5.920.446</u>	<u>47.852.230</u>
	<b>Liabilities in total</b>	<b><u>5.920.446</u></b>	<b><u>47.852.230</u></b>
	<b>Equity and liabilities in total</b>	<b><u>15.852.928</u></b>	<b><u>45.699.797</u></b>
6	<b>Contingencies</b>		
7	<b>Related parties</b>		

## Notes

All amounts in DKK.

	<u>2015</u>	<u>2014</u>
<b>1. Tax on ordinary results</b>		
Tax of the results for the year, parent company	2.896.822	0
Adjustment for the year of deferred tax	<u>0</u>	<u>-139.406</u>
	<b><u>2.896.822</u></b>	<b><u>-139.406</u></b>
	<u>31/12 2015</u>	<u>31/12 2014</u>
<b>2. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2015	<u>281.782</u>	<u>281.782</u>
<b>Cost 31 December 2015</b>	<b><u>281.782</u></b>	<b><u>281.782</u></b>
Depreciation and writedown 1 January 2015	-90.118	-19.672
Depreciation for the year	<u>-70.446</u>	<u>-70.446</u>
<b>Depreciation and writedown 31 December 2015</b>	<b><u>-160.564</u></b>	<b><u>-90.118</u></b>
<b>Book value 31 December 2015</b>	<b><u>121.218</u></b>	<b><u>191.664</u></b>
<b>3. Work in progress for the account of others</b>		
Sales value of the production of the period	0	153.932.036
Payments on account received	<u>0</u>	<u>-180.163.668</u>
<b>Work in progress for the account of others, net</b>	<b><u>0</u></b>	<b><u>-26.231.632</u></b>
The following is recognised:		
Work in progress for the account of others (Short-term liabilities)	<u>0</u>	<u>-26.231.632</u>
	<b><u>0</u></b>	<b><u>-26.231.632</u></b>



## Notes

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All amounts in DKK.

	<u>31/12 2015</u>	<u>31/12 2014</u>
<b>4. Contributed capital</b>		
Contributed capital 1 January 2015	<u>500.000</u>	<u>500.000</u>
	<b><u>500.000</u></b>	<b><u>500.000</u></b>

The share capital consists of 500 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

<b>5. Results brought forward</b>		
Results brought forward 1 January 2015	-10.746.328	429.598
Profit or loss for the year brought forward	<u>20.178.810</u>	<u>-11.175.927</u>
	<b><u>9.432.482</u></b>	<b><u>-10.746.329</u></b>

**6. Contingencies**  
**Contingent liabilities**

The company has no contingent liabilities.

**7. Related parties**  
**Ownership**

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Van Gelder Groep B.V.,  
J.P. Broekhovenstraat 36,  
8081 HC Elburg,  
Netherlands