

Fircroft Engineering Services ApS

Gammel Kongevej 1, 2.
1610 København V

CVR no. 37 27 59 72

Annual report 2016/17

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

2 March 2018

Stuart Andrew Hall

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Operating review	6
Financial statements 1 September – 31 August	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

Fircroft Engineering Services ApS
Annual report 2016/17
CVR no. 37 27 59 72

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 Fircroft Engineering Services ApS for the financial year 1 September 2016 – 31 August 2017.

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 August 2017 and of the results of the Company's operations for the financial year 1 September 2016 – 31 August 2017.

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.

Copenhagen 2 March 2018
Executive Board:

Johnathan James Johnson

Board of Directors:

Michael Cohen
Chairman

Stuart Andrew Hall

Johnathan James Johnson



Independent auditor's report

To the shareholders of Fircroft Engineering Services ApS

Independent auditor's report on the financial statements

Opinion

We have audited the financial statements of Fircroft Engineering Services ApS for the financial year 1 September 2016 – 31 August 2017 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 August 2017 and of the results of the Company's operations for the financial year 1 September 2016 – 31 August 2017 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.

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.



Independent auditor's report

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.

Report on other legal and regulatory requirements

Non-compliance with VAT-legislation

The Company has during the year not reported VAT within the deadline, which the Management can be held liable for.

Copenhagen, 2 March 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Kenn W. Hansen
State Authorised
Public Accountant
MNE no. 30154

Management's review

Operating review

Principal activities

Fircroft Engineering Services ApS is a subsidiary of the Fircroft Group, which is a global workforce solutions provider to the technical engineering sectors. Since 1970, Fircroft has provided services to a range of sectors including Oil & Gas, Petrichemical & Chemical, ICT, Mining & Minerals, Infrastructure & Construction, Power, Nuclear & Utilities and Automotive. Fircroft Engineering Services ApS handles the group activities on the Danish market.

Development in activities and financial position

The financial year 2016/2017 was the first year with activity. For the coming financial year, the Company expects to continue the growth and generate a positive result. The expectations to the positive result is however still associated with uncertainty, and Management has therefore decided not to recognise the value of deferred tax asset.

Financing and capital resources

The equity at 31 August 2017 is negative by DKK 113 thousand.

Management expects that the share capital of DKK 50 thousand will be re-established by net income in future periods. The activity has been financed by loans provided by parent company. Management expects that the loans are sufficient to finance the activities at least until the end of the financial year 2017/18. On that basis, the financial statements for the period ending 31 August 2017 are prepared under the assumption of going concern.

Events after the balance sheet date

No events have occurred after the balance sheet date, which are considered to have significant influence on the Company's financial position at 31 August 2017.

Financial statements 1 September – 31 August

Income statement

DKK	Note	2016/17	2015/16
Gross profit		2,410,100	-104,287
Staff costs	2	-2,474,114	-18,021
Operating loss		-64,014	-122,308
Financial income		37,036	0
Financial expenses		-14,150	0
Loss before tax		-41,128	-122,308
Tax on loss for the year		0	0
Loss for the year		-41,128	-122,308
Proposed distribution of loss			
Retained earnings		-41,128	-122,308
		-41,128	-122,308

Financial statements 1 September – 31 August

Balance sheet

DKK	Note	2016/17	2015/16
ASSETS			
Current assets			
Receivables			
Trade receivables		2,090,611	0
Receivables from group entities		48,378	0
Other receivables		0	12,065
Prepayments		69,793	0
		<u>2,208,782</u>	<u>12,065</u>
Cash at bank and in hand		<u>253,131</u>	<u>206,095</u>
Total current assets		<u>2,461,913</u>	<u>218,160</u>
TOTAL ASSETS		<u>2,461,913</u>	<u>218,160</u>
EQUITY AND LIABILITIES			
Equity	3		
Contributed capital		50,000	50,000
Retained earnings		-163,436	-122,308
Total equity		<u>-113,436</u>	<u>-72,308</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		30,691	55,000
Payables to group entities		1,371,962	227,201
Other payables		1,172,696	8,267
		<u>2,575,349</u>	<u>290,468</u>
Total liabilities other than provisions		<u>2,575,349</u>	<u>290,468</u>
TOTAL EQUITY AND LIABILITIES		<u>2,461,913</u>	<u>218,160</u>
Related party disclosures	4		

Financial statements 1 September – 31 August

Statement of changes in equity

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 September 2016	50,000	-122,308	-72,308
Transferred over the distribution of loss	<u>0</u>	<u>-41,128</u>	<u>-41,128</u>
Equity at 31 August 2017	<u><u>50,000</u></u>	<u><u>-163,436</u></u>	<u><u>-113,436</u></u>

Financial statements 1 September – 31 August

Notes

1 Accounting policies

The annual report of Fircroft Engineering Services ApS for 2016/17 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 September 2016 the Company has implemented Act no 738 of 1 June 2015 (New Financial Statements Act). The implementation have no monetary effect on the income statement for 2016/17 or the balance sheet at 31 August 2017 or for the comparative figures.

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

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

Revenue

Revenue from the sale of services is recognised in the income statement as the services are provided.

Gross Profit

Gross profit comprises the value of revenue less cost of sales and other external costs.

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

Other external costs

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

Financial statements 1 September – 31 August

Notes

1 Accounting policies (continued)

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, gains and losses on transactions denominated in foreign currencies.

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

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of the recoverability.

Prepayments

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.

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.

Financial statements 1 September – 31 August

Notes

1 Accounting policies (continued)

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, corresponding to the capitalised value using the effective interest rate. 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.

Other liabilities are measured at amortised costs, substantially corresponding to nominal value.

2 Staff costs

DKK	<u>2016/17</u>	<u>2015/16</u>
Wages and salaries	2,471,747	18,021
Other social security costs	<u>2,367</u>	<u>0</u>
	<u>2,474,114</u>	<u>18,021</u>
Average number of full-time employees	<u>5</u>	<u>1</u>

3 Equity

The equity at 31 August 2017 is negative by DKK 113 thousand.

Management expects that the share capital of DKK 50 thousand will be re-established by net income in future periods. The activity has been financed by loans provided by parent company.

Management expects that the loans are sufficient to finance the activities at least until the end of the financial year 2017/18.

The Company has received a subordination agreement to the loan agreement with the parent company. The parent company will only demand payment under the loan agreement if the payment will not cause the Company to become insolvent. Management therefore submits the financial statements under the going concern assumption.

4 Related party disclosures

Fircroft Engineering Services ApS related parties comprise the following:

Control

Fircroft Engineering Services Limited, Cheshire, WA3 7QH, United Kingdom