

# VBMS

VBMS ApS  
c/o Bech-Bruun  
Langelinie Allé 35  
2100 Copenhagen

CVR no. 37 52 59 44

## Annual report 2018

The annual report was presented and approved at the  
Company's annual general meeting  
on 11 June \_\_\_\_\_ 2019  
J.J.J. Mulder \_\_\_\_\_  
chairman of the annual general meeting

## Contents

Statement by the Board of Directors and the Executive Board	2
Auditors report on compilation of financial statements	3
Financial statements 1 January – 31 December 2018	4
Income statement	4
Balance sheet	5
Notes	6

## 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 VBMS ApS for the financial year 1 January – 31 December 2018.

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

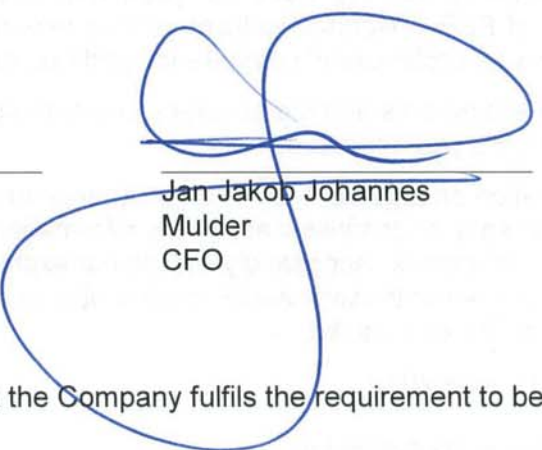
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

We recommend that the annual report be approved at the annual general meeting.

Papendrecht, 11 June 2019  
Executive Board:

  
\_\_\_\_\_  
Richard Paul Rijper

CEO

  
\_\_\_\_\_  
Jan Jakob Johannes  
Mulder  
CFO

Management confirms that the Company fulfils the requirement to be exempt from audit.



## Auditors report on compilation of financial statements

### To the shareholder of VBMS ApS

We have compiled the financial statements of VBMS ApS for the financial year 1 January – 31 December 2018 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditors Act and FSR – Danish Auditors' ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 11 June 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Morten Høgh-Petersen  
State Authorised  
Public Accountant

MNE-nr. 34283

## Financial statements 1 January – 31 December 2018

### Income statement

EUR'000	Note	2018	2017
<b>Gross profit/loss</b>		505	599
Staff costs	4	368	509
Other external costs		5	19
<b>Operating profit/loss</b>		132	71
Other financial expenses	5	-3	-1
<b>Profit/loss before tax</b>		129	70
Tax on profit/loss for the year		-28	-16
<b>Profit/loss for the year</b>		101	54
<b>Proposed profit appropriation</b>			
Retained earnings		101	54
		101	54



## Financial statements 1 January– 31 December 2018

### Balance sheet

EUR'000	Note	2018	2017
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Receivables</b>			
Receivables on group entities		56	56
Other receivables, including taxes receivable		17	11
		<u>73</u>	<u>6767</u>
<b>Cash at bank and in hand</b>		<u>563</u>	<u>419</u>
<b>Total current assets</b>		<u>636</u>	<u>486</u>
<b>TOTAL ASSETS</b>		<u>636</u>	<u>486</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		7	7
Retained earnings		111	10
<b>Total equity</b>		<u>118</u>	<u>17</u>
<b>Current liabilities other than provisions</b>			
Payables to group entities		414	413
Other payables, including taxes payable		104	56
		<u>518</u>	<u>469</u>
<b>Total liabilities other than provisions</b>		<u>518</u>	<u>469</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>636</u>	<u>486</u>
<b>Contractual obligations, contingencies, etc.</b>	6		
<b>Related parties</b>	7		

## Financial statements 1 January – 31 December 2018

### Notes

#### 1 Accounting policies

The annual report of VBMS ApS for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

#### 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

Income from the the sale of services is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

##### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pensions and other social security costs, excluding reimbursements from public authorities.

## Financial statements 1 January – 31 December 2018

### Notes

#### 1 Accounting policies (continued)

##### **Other external costs**

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

##### **Other operating income**

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

##### **Other operating costs**

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

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

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated 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/loss for the year**

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



## Financial statements 1 January – 31 December 2018

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

###### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

###### Equity

###### *Dividends*

The expected dividend payment for the year is disclosed as a separate item under equity.

## Financial statements 1 January – 31 December 2018

### Notes

#### 1 Accounting policies (continued)

##### 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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where 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.

##### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, 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 cost, which usually corresponds to nominal value.

##### Deferred income

Deferred income comprises payments received regarding income in subsequent years.

## Financial statements 1 January – 31 December 2018

### Notes

#### 2 Main activities

The company's objects are the worldwide implementation of projects in the areas of installation, maintenance and replacement of subsea power cables, pipes or tubes, including the construction of (offshore) umbilicals, with associated landings and terminations, hiring out of personnel and provision of services, and the management of all other related activities in the field of transport and installation as well as inspection and maintenance activities.

#### 3 Financial situation

The company has lost more than half of its share capital during its first financial year. Management has assessed that the share capital will be reestablished through future profits.

The company is part of the VBMS and ultimately Royal Boskalis Westminster group, which have a clear intention of supporting the company with sufficient liquidity should the need arise for the coming year.

EUR'000		2018	2017
<b>4 Staff costs</b>			
Wages and salaries		343	476
Pensions		25	33
Other social security costs		-	-
		<u>368</u>	<u>509</u>
Average number of full-time employees		<u>5</u>	<u>7</u>
<b>5 Financial expenses</b>			
Other interest expense		<u>-3</u>	<u>-1</u>

## Financial statements 1 January – 31 December 2018

### Notes

#### 6 Contractual obligations, contingencies, etc.

##### Contingent liabilities

At 31 December 2018, the Company had no contingent liabilities.

#### 7 Related parties

VBMS ApS has a related party relationship with its Directors, its shareholder VBMS Holding BV and her subsidiaries, equity accounted investees and other investments, Royal Boskalis Westminster NV and her subsidiaries, equity accounted investees and other investments.