Registration Document

Bidco RelyOn Nutec A/S

09.09.2019

Important notice

This Registration Document has been approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (Finanstilsynet), as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this Registration Document.

This Registration Document prepared according to Regulation (EU) 2017/1129, is valid for a period of up to 12 months following its approval by Norwegian FSA. This Registration Document was approved by the Norwegian FSA on 9th September 2019. The prospectus for issuance of new bonds or other securities may for a period of up to 12 months from the date of the approval consist of this Registration Document and a securities note to each issue and subject to a separate approval.

The Registration Document is based on sources such as annual reports and publicly available information and forward looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Company and Guarantor's lines of business.

A prospective investor should consider carefully the factors set forth in chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in bonds, including any legal requirements, exchange control regulations and tax consequences within the country of residence and domicile for the acquisition, holding and disposal of bonds relevant to such prospective investor.

The manager and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document and may perform or seek to perform financial advisory or banking services related to such instruments. The managers corporate finance department may act as manager or co-manager for this Company and/or Guarantor in private and/or public placement and/or resale not publicly available or commonly known. Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan, Australia and in the United Kingdom. Verification and approval of the Registration Document by the Norwegian FSA implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required, and any information contained herein or in any other sales document relating to bonds does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The content of the Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, the Prospectus is subject to Norwegian law. In the event of any dispute regarding the Prospectus, Norwegian law will apply.

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1. Risk factors

Investing in bonds involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in the Registration Document before making an investment decision.

A prospective investor should carefully consider all the risks related to the Company and should consult his or her own expert advisors as to the suitability of an investment in securities of the Company. An investment in securities of the Company entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should thus make a careful assessment of the Company and its prospects before deciding to invest, including but not limited to the cost structure for both the Company and the investors, as well as the investors' current and future tax position. The risk factors for the Company and the Group (including all Guarantors) are deemed to be equivalent for the purpose of this Registration Document unless otherwise stated.

The below risk factors are outlined below considering and assessing the negative impact and probability. It applies for all the risk factors that if materialized it will have an adverse effect to the Company and the Group that may reduce the revenue and profitability, which could ultimately result in a insolvency situation.

COMPANY AND MARKET SPECIFIC RISKS

The economy's influence on the demand of the Company's services
The Company is present in a large number of geographic markets, meaning that the Company is being subject to external risks, such as political risks in individual countries and regions. In particular, the Company's business is exposed to fluctuations in the oil, gas, maritime, and offshore renewables industries since the Company's customers operate in these industries and such fluctuations could have consequential effects on the Company's business. The demand for the Company's products and services depends on, inter alia, the level of new capital investment and operating expenditures by the customers. The level of capital and operating expenditures by the customers depends, in turn, on general economic conditions, availability of credit, economic conditions within their respective industries and expectations of future market behavior. In addition, the Company has a degree of concentration risk with certain geographic markets, i.e. the US, Norway, Malaysia etc. accounting for a large degree of sales in its respective markets. Adverse changes in the economy or in the customers' investment patterns, due to an economic or political situation in a country, industry or region, and in the above mentioned countries in particular, may have a material adverse effect on the Company's business, earnings and financial position.

The Company’s business is dependent on the price of oil and gas
In 2018, 68% of the Company’s revenue derived from customers operating in the oil and gas sector and hence the Company’s operations, profitability and cash flow is dependent on the level of oil and gas capital spending by such companies which, in turn, is dependent upon the market price of oil and gas. The price of oil and gas is known to fluctuate. If the price of oil and gas products should drop significantly, or oil and gas exploration or development activity should otherwise be reduced, the Company may be adversely affected.

New legislation and changes of industry standards
The Company is affected by various legislations, regulations and standards, including, inter alia, tax regulations, employment legislation, environmental regulations, service liability regulations and global international industry standards with regards to safety and security. Amendments or restatements of laws, regulations and standards, leading to stricter requirements and changed conditions regarding safety and health or environment, or a development to a stricter implementation and application by the authorities of existing laws and regulations may have several negative implications

for the Company. In addition, customers may demand the Company to comply with new standards in the future. Such changes may require that the Company makes further investments, with increased costs and other commitments for the Company as a result. Such changes may also imply that certain of the Company's services may become obsolete and could also limit or obstruct the Company's business.
There is a risk that new interpretations and changes in the application of existing laws and regulations in combination with new laws and regulations will have an adverse effect on the Company, and that it will become more burdensome and costly for the Company to monitor legal aspects, which would have an adverse effect on the Company's business, earnings or financial position.

Risk of technological development / increased automation that could result in less offshore personnel
Technical innovation and increased automation within the industries the Company operates within could result in a decreased need for personnel on, inter alia, drilling platforms, shipyards, offshore wind locations etc. The traditional training market is subject to innovations in e-learning, advanced virtual and augmented reality technology and exposure to digital disruptions. Should such innovation and automation lead to lay-offs and/or a decrease in required personnel or business disruptions, the demand for the Company's services may be negatively impacted and impact the Company's business, earnings and financial position.

Dependency on key employees
The Company's future development and success is dependent on its ability to recruit and keep qualified management and other key personnel. Inability to keep, replace and recruit key employees and a qualified management may have a material negative effect on the Company's business, earnings and financial position. Further, as a substantial amount of the Company's value is within the know-how of certain key employees, the Company may be exposed to the risk that key employees leave the Company for a competitor exposing the Company's firm secrets. There is a risk that this will have an adverse effect on the Company's business, earnings and financial position.

Competition
The Company's competitors compete by price, location, quality and range of services, and service offering availability in a generally commoditized market, with small differences between the service providers. There is a risk that an increase in competition will lead to pricing pressure within the industry as a whole and by individual customers with regards to seeking out new customers, as well as retaining current customers.

The Company's ability to compete also depends upon the Company's ability to have global relations with its customers, anticipate future market changes and trends and to rapidly react on existing and future market needs. If the Company fails to meet the competition from new and existing companies or fails to react to market changes or trends, there is a risk that this will have an adverse effect on the Company's business, earnings and financial position.

Safety incidents
Incident occurs where a student is severely injured or even killed, however such incidents are fortunately rare. The financial impact will be covered by insurance and any effect on customer relations will be addressed and mitigated.

Customer risks
The Company's top 20 customers accounted for ~25% of total revenues in 2018 with no single client accounting for more than 3%. Even though the Company serves a wide and diversified customer base and with seemingly low customer dependency, a customer loss of a significant customer contract could result in an adverse effect on the Company's operations, financial position and results.
Furthermore, the Company is exposed to the risk of not being able to collect all its trade credits with its customers. Although parts of the Company's income is based on advance payment by customers, there is always a risk that customers will not have the financial ability or willingness to meet their

obligations. As the services of the Company is often being provided by small business entities of the Company, whereas the customers are large global corporations, the negotiating power of the Company may sometimes be low and there can be no assurances that losses will not occur in the future and impact the Company's earnings and cash balance. Customer bankruptcies or other elements that may delay or complicate collection of receivables will impact the Company's cash flow and liquidity.

Claims and litigation
The Company may in the future become involved in different disputes in connection with its operations. Disputes may relate to inter alia agreements, intellectual property and failure to deliver stipulated services. Such disputes may be costly, time consuming, relate to large amounts and may disrupt the normal business of the Company. Furthermore, the outcome of complicated disputes may be hard to predict. The company nor the guarantors are not currently involved in any material disputes.

Employment related matters
As the Company employs employees in different countries, there are demanding requirements for the Company to comply with many different labour regulations and requirements from the employees regarding pensions, salaries, work hours, etc. In addition, the Company will also need to cooperate with labour unions on a local level for the different geographical areas. Should the Company not comply with demands from employees and labour unions there is a risk that strikes and other actions are arranged, which may negatively affect the Company and its activities. A breach of the labour regulations or requirements set out by the trade unions could also result in sanctions, additional costs and negative publicity. Further, the Company and its advisors may have made erroneous estimates of the requirements, interpretation and application of laws, provisions and judicial practice. In addition, such laws, provisions and practice may be changed, potentially with retroactive effect.

The Company could be adversely affected if it fails to keep pace with technological changes
There is a risk that new technologies will be developed, and that the Company will be unable to implement these technologies or adapt its service range and business model in time to exploit the benefits of new or existing technologies. There is also a risk of future new technologies making the Company's services less competitive and more difficult to sell. Every such failure may have a negative impact on the Company's position on the market and in turn have a negative impact on the Company's operations, financial position and earnings, and the performance of the Issuer under the Bonds.

The expenses associated with keeping up with technological developments may be high and subject to factors that are fully or partly beyond the Company's control. The amount of future operating expenses and requirements for capital and the time at which they are needed may also differ considerably from current estimates. Inability to finance these expenses and requirements for capital may have a negative impact on the Company's operations, financial position and earnings, and the performance of the Issuer under the Bonds.

Risks relating to IT infrastructure
The Company depends on information technology to manage critical business processes, including administrative and financial functions. The Company mainly uses IT systems for internal purposes. Extensive downtime of network servers, attacks by IT-viruses or other disruptions or failures of information technology systems are possible and could have a negative effect on the Company's operations. Failure of the Company's information technology systems could cause transaction errors and loss of customers, and could have an adverse effect on the Company's business, earnings, and financial position as well as future prospects.

Insurance risks
The Company is exposed to various types of risks, such as liability, environmental risk, property damage, third party liability and business interruption, including events caused by natural disasters and other events beyond the Company's control. The Company may in such case be required to pay

for losses, damages and liabilities out of own funds, which could materially and adversely affect its business, earnings and financial position. Even if the insurance coverage would be adequate to cover direct losses, the Company may not be able to take remedial actions or other appropriate measures. Furthermore, the Company's claim records may affect the premiums which insurance companies may charge in the future. In addition, the Company's current insurance coverage could be cancelled or become unavailable on reasonable economic terms in the future. There is a risk that materialization of these risks may have an adverse effect on the Company's business, earnings, and financial position as well as future prospects.

Taxes and charges

The Company conducts its business in accordance with its interpretation of applicable tax regulations, including the applicable tax rates, and applicable requirements and decisions. However, the Company's and its advisors' interpretation of applicable laws, provisions and judicial practice could prove to be incorrect. Further, such laws, provisions and practice may be changed, potentially with retroactive effect. There is a risk that changes in legislation or practice or a tax authorities challenge of the Company's interpretation of applicable laws will lead to an increase in the Company's tax liabilities and/or lead to sanctions by the tax authorities, resulting in adverse effects on the Company's business, earnings and financial position.

Currency risk

The Company reports in DKK but has other currencies as functional currencies, and conduct its purchases and sales in, inter alia SEK, NOK, EUR, USD, BRL etc. As the exchange rates fluctuates, these fluctuations lead to a transaction exposure as the transactions made in other currencies than the reporting currency needs to be recalculated into the reporting currency. There is a risk that this could result in a reduced value of the Company’s local monetary assets and generate local currency losses. Further, in the case where the DKK appreciate in value against, inter alia, the USD, then that may lead to an adverse effect on the Company's earnings and financial position as well as future prospects and earnings. Although the Company is contemplating FX hedging arrangements for the Company to mitigate the currency and exchange risk, there is a risk that currency fluctuations will have an adverse effect on the Company's business, earnings and financial position.

POLITICAL AND JURISDICTIONAL RISKS

Risk of deterioration of economic conditions

The business, results of operations, financial condition and/or prospects of the Issuer may be materially adversely affected by changes in national or global economic conditions and local economic conditions in the countries in, and markets on, which it operates, including growth in the Gross Domestic Product (GDP), inflation, interest rates, availability of and access to capital markets, consumer spending rates, energy availability and costs (including fuel surcharges) and the effects of governmental initiatives to manage economic conditions. Any such changes could materially adversely affect the demand for the services of the Issuer thereby negatively affecting the business, results of operations, financial condition and/or prospects of the Issuer.

- Disruptions and instability in credit and other financial markets and deterioration of global and local economic conditions, could, among other things:
- make it more difficult or costly to obtain financing for the operations or investments of the Issuer or to refinance its debt;
- cause lenders to depart from prior credit industry practice and make the granting of any technical or other waivers under the credit agreements of the Issuer more difficult or expensive;
- impair the financial condition of some of the customers or suppliers, thereby increasing customer bad debts or non-performance by suppliers, negatively impacting the treasury operations of the Issuer; and
- negatively impact global demand for the Issuer’s services, which could result in a reduction of sales, operating income and cash flows.

Risk of increased protectionism

In recent years, the political agenda has for various reasons been characterised by increased protectionism and calls for restrictions on the free movement of goods and labour, both internally within the European Union (particularly France, Holland, Poland and the United Kingdom) and globally (e.g. the United States of America). If this trend continues, the business, results of operations, financial condition and/or prospects of the Issuer may be materially adversely affected.

Risks related to corrupt practices

The Group operates in 21 countries as described under 6. Business Overview. One of the countries are Nigeria, ranked in 148th position out of 180 countries in the Transparency International Corruptions Perceptions Index 2017. Certain other jurisdictions in which the Company has operations also have a low score on the Transparency International Corruption Perception Index which implies that these markets are perceived as jurisdictions where there is a higher risk of corruption. The risk is mitigated by ensuring that appropriate policies and procedures are duly implemented and a continuous effort to avoid any corrupt practices.

The Group operates in areas where there is a risk of war, armed conflicts, piracy or terrorist attacks

War, conflicts, military tension and terrorist attacks may cause instability in the areas the Company is operating, or may cause instability in the world's financial and commercial markets. Political and economic instability may occur in some of the geographic areas (such as Nigeria) in which the Company operates (or may operate in the future) and may contribute to disruptions of operations, kidnapping of marine crew or onshore employees, piracy and other adverse effects including increased operating costs. In addition, acts of terrorism, occurrence of deliberate sabotage and threats of armed conflicts in or around various areas in which the Company operates (or may operate in the future) could limit or disrupt the Company's operations, including disruptions from evacuation of personnel, cancellation of contracts or the loss or injury of personnel or loss or damage to its assets. Armed conflicts, terrorism and their effects on the Company or its markets may have a significant adverse effect on the Company's business and results of operations in the future.

Catastrophes, natural disasters and operational disruptions

Severe weather phenomena such as strong wind, hail storms, snow and lightening or other weather phenomena may cause instability in the areas the Company is operating and disrupt the functionality of the Company's facilities and assets, cause damage and may also increase cost or operation as well as reduce the revenues. The Company's involvement in countries which have been, are or may be, subject to catastrophes or natural disasters, may have implications of a detrimental nature not currently foreseeable to the Company.

The Company operates in a market which is governed by regulatory regimes which may be subject to change

The Company is subject to various laws and regulations regarding anti-corruption and anti-bribery and with international sanctions regimes, failure to comply with which may have material adverse effect on the Company's business, financial condition, operating results and/or cash flow, as well as the Company's reputation.

The Issuer is dependent on its subsidiaries

A significant part of the Company's assets and revenues relate to the Issuers' subsidiaries. Accordingly, the Issuers are dependent upon receipt of sufficient income related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds. The Issuers' subsidiaries are legally separate and distinct from the Issuers and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuers' subsidiaries to make such payments to the Issuers is subject to, among other things, the availability of funds. Should the Issuers not receive sufficient income from their subsidiaries, the investor's ability to receive payment under the Bond Terms for the Bonds may be adversely affected.

2. Persons responsible

Persons responsible for the information

Persons responsible for the information given in the Registration Document are as follows:
Bidco RelyOn Nutec A/S, Kalvebod Brygge 45, 3, 1560 København V, Denmark.

Declaration by persons responsible

Bidco RelyOn Nutec A/S confirms that, to the best of their knowledge, the information contained in the Registration Document is in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

09.09.2019

Bidco RelyOn Nutec A/S

3. Definitions

"Company" / "Issuer"	-	Bidco RelyOn Nutec A/S - with registration number 39467836
"DKK"	-	Danish Kroner – the official currency of Denmark
"DMA"	-	Danish Maritime Authority
"EUR"	-	Euro – the official currency of the European Monetary Union
"GBP"	-	British Pound – the official currency of the United Kingdom
"Group /RelyOn / RelyOn Nutec"	-	The Company and its subsidiaries from time to time
"Guarantors"	-	At the date of this Registration Document:

	Registration number
RelyOn Nutec Holding A/S	19951383
RelyOn Nutec Denmark A/S	27460828
RelyOn Nutec Holding B.V.	33292839
RelyOn Nutec UK Ltd	02786348
RelyOn Nutec Netherlands B.V.	28102589
MSTS Asia Sdn. Bhd.	502823-K
Risktec (M) Sdn. Bhd.	631761-U
RelyOn Bestari Healthcare Sdn Bhd	900073-M
RelyOn Nutec Malaysia Sdn. Bhd.	592413-U
RelyOn Nutec Belgium BVBA	BE0543401225
RelyOn Nutec USA Holdings, LLC	4515417
RelyOn Nutec Services, Inc.	34531108D
RelyOn Nutec USA, LLC	35005427K
Aberdeen Drilling School Ltd	SC077855

"GWO"	-	Global Wind Organisation
"IADC"	-	International Association of Drilling Contractors
"IWCF"	-	International Well Control Forum
"MCA"	-	Maritime and Coastguard Agency
"NMD"	-	Norwegian Maritime Authority
"NOK"	-	Norwegian Kroner – the official currency of Norway
"NSI"	-	Netherlands Shipping Inspectorate
"NOROG"	-	Norsk Olje and Gas.
"OIM"	-	Offshore Installation Manager
"OPITO"	-	Offshore Petroleum Industry Training Organisation

"Prospectus"	-	The Registration Document together with the Securities Note
"Registration Document"	-	This registration document dated 09.09.2019
"RM"	-	Malaysian Ringgit - the official currency of Malaysia
"RYA"	-	Royal Yachting Association (UK)
"Securities Note"	-	Document to be prepared for each new issue of bonds under the Prospectus
"STCW"	-	Standards of Training, Certification and Watchkeeping for Seafareres
"USCG"	-	United States Coast Guard

4. Statutory auditors

ISSUER:

The Company's independent auditor for the period which has covered the historical information in this Registration Document is PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, with CVR No 33 77 12 31, and business address at Strandvejen 44, 2900 Hellerup, Denmark.

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab is a member of the Institute of Public Accountants in Denmark (*FSR – Danske revisorer.)*

GUARANTORS:

After establishing RelyOn Nutec Group in 2018, PricewaterhouseCoopers has been chosen as the independent auditor for most group companies. However, due to the late change in 2018 Deloitte were in som cases also responsible for the audit for 2018 financial statements.

The Guarantors independent auditor for 2017 and 2018 historical financial information in this Registration Document has been following:

Guarantor	Auditor 2017	Business adress	Professional body	Auditor 2018	Business adress	Professional body
RelyOn Nutec Holding A/S	Deloitte Statsautoriseret Revisionspartnerselskab	Weidekampsgade 6, 2300 København S, Denmark	Institute of Public Accountants in Denmark	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark
RelyOn Nutec Denmark A/S	Deloitte Statsautoriseret Revisionspartnerselskab	Weidekampsgade 6, 2300 København S, Denmark	Institute of Public Accountants in Denmark	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark
RelyOn Nutec Holding B.V.	Deloitte	Wilhelminakade 1. Voor navigatie: Stieltjesstraat 3072 AP Rotterdam, Netherlands	The Netherlands Institute of Chartered Accountants	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark
RelyOn Nutec Norway AS	Deloitte AS	Dronning Eufemias gate 14, 0191 Oslo, Norway	The Norwegian Institute of Public Accountants	Deloitte AS	Dronning Eufemias gate 14, 0191 Oslo, Norway	The Norwegian Institute of Public Accountants
RelyOn Nutec UK Ltd	Deloitte LLP	1 New Street Square, London EC4A 3HQ, United	Institute of Chartered Accountants in England and Wales (ICAEW)	Deloitte LLP	1 New Street Square, London EC4A 3HQ, United	Institute of Chartered Accountants in England and Wales (ICAEW)
RelyOn Nutec Netherlands B.V.	Deloitte	Wilhelminakade 1. Voor navigatie: Stieltjesstraat 3072 AP Rotterdam, Netherlands	The Netherlands Institute of Chartered Accountants	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark
MSTS Asia Sdn. Bhd.	Deloitte	Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lum-pur, Malaysia	The Malaysian Institute of Accountants	Pricewaterhouse Coopers	Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia	The Malaysian Institute of Accountants
Risktec (M) Sdn. Bhd.	Deloitte	Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lum-pur, Malaysia	The Malaysian Institute of Accountants	Pricewaterhouse Coopers	Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia	The Malaysian Institute of Accountants

RelyOn Bestari Healthcare Sdn Bhd	Deloitte	Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lum-pur, Malaysia	The Malaysian Institute of Accountants	Pricewaterhouse Coopers	Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia	The Malaysian Institute of Accountants
RelyOn Nutec Malaysia Sdn. Bhd.	Deloitte	Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lum-pur, Malaysia	The Malaysian Institute of Accountants	Pricewaterhouse Coopers	Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia	The Malaysian Institute of Accountants
RelyOn Nutec Belgium BVBA	Deloitte	Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, Gateway Building, Belgium	Belgian Institute of Registered Auditors (IBR-IRE)	Deloitte	Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, Gateway Building, Belgium	Belgian Institute of Registered Auditors (IBR-IRE)
RelyOn Nutec USA Holdings, LLC	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark
RelyOn Nutec Services, Inc.	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark
RelyOn Nutec USA, LLC	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark	Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab	Strandvejen 44, 2900 Hellerup, Denmark	Institute of Public Accountants in Denmark
Aberdeen Drilling School Ltd	Anderson, Anderson & Brown	Kingshill View, Prime Four Business Park, Kingswells, Aberdeen, AB15 8PU, United Kingdom	ICAS - Institute of Chartered Accountants of Scotland	Anderson, Anderson & Brown	Kingshill View, Prime Four Business Park, Kingswells, Aberdeen, AB15 8PU, United Kingdom	ICAS - Institute of Chartered Accountants of Scotland

5. Information about the Issuer and the Guarantors

ISSUER:

Bidco RelyOn Nutec A/S

The Company, formerly named BidCo nr. 2 af 15. marts 2018, is a private limited liability company pursuant to the Danish Private Limited Liability Companies Act and supplementing Danish laws and regulations domiciled in Denmark. The legal name of the Company is Bidco RelyOn Nutec A/S and the commercial name is RelyOn Nutec. The Company was incorporated in Denmark on 30th March 2018 and registered in the Danish Business Authority with the registered number CVR-NR 39 46 78 36 and LEI-code 549300H0D90B41QTW740. The Company's registered business address is Kalvebod Brygge 45, 3, 1560 Copenhagen V, Denmark, and the Company's telephone number is +45 76 12 13 14.
Website: www.relyonnutec.com [1]

Bidco RelyOn Nutec A/S is the parent company of the Group. The activity of BidCo RelyOn Nutec A/S consists of holding shares in subsidiaries and through the subsidiaries operate in the business of safety training services to the oil and gas, wind and maritime industry globally, and other related business. Subsidiaries are entities controlled by Bidco RelyOn Nutec A/S. Control means that the BidCo RelyOn Nutec Group controls the company, i.e. that the RelyOn Nutec Group is exposed or has rights to variable returns from the company and has the ability to affect the size of those returns through its power over the company. With reference to this, the Company is dependent on other entities within the Group. The Executive Management is responsible for RelyOn Nutec's day-to-day management of the Company in accordance with the directions provided by the Board of Directors. The Company has 2 employees.

On 20 September 2018, the Company acquired the entire share capital of RelyOn Nutec Holding A/S, former known as Falck Safety Services Holding A/S, which operates in the business of safety training services to the oil and gas, wind and maritime industry globally, and other related business.

GUARANTORS:

RelyOn Nutec Holding A/S

RelyOn Nutec Holding A/S, formerly named Falck Safety Services Holding A/S, is a private limited liability company pursuant to the Danish Private Limited Liability Companies Act and supplementing Danish laws and regulations domiciled in Denmark. The legal name of the company is RelyOn Nutec Holding A/S and the commercial name is RelyOn Nutec. The company was incorporated in Denmark on 2nd April 1997 and registered in the Danish Business Authority with the registered number CVR-NR 19 95 13 83 and LEI-code 54930047IPZO8OTC8Y98. The company's registered business address is Kalvebod Brygge 45, 3, 1560 Copenhagen V, Denmark, and the company's telephone number is +45 76 12 13 14.
Website: www.relyonnutec.com [1]

RelyOn Nutec Holding A/S is owned 100% by Bidco RelyOn Nutec A/S. The purpose of the company is directly - or indirectly through the holding of shares or other kinds of participating interests in domestic or foreign undertakings- to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. The company has 29 employees.

[1] *Disclaimer - the information on the website does not form part of this Registration Document unless information is incorporated by reference into the Registration Document*

RelyOn Nutec Denmark A/S

RelyOn Nutec Denmark A/S, formerly named Falck Safety Services A/S, is a private limited liability company pursuant to the Danish Private Limited Liability Companies Act and supplementing Danish laws and regulations domiciled in Denmark. The legal name of the company is RelyOn Nutec Denmark A/S and the commercial name is RelyOn Nutec. The company was incorporated in Denmark on 27th November 2003 and registered in the Danish Business Authority with the registered number CVR-NR 27460828 and LEI-code 549300C491NFHOBCGV77. The company's registered business address is Uglviggårdsvej 3, 6705 Esbjerg Ø, Denmark, and the company's telephone number is +45 76 12 13 14.
Website: www.relyonnutec.com [1]

RelyOn Nutec Denmark A/S is owned 100% by RelyOn Nutec Holding A/S. The purpose of the company is to through direct or indirect ownership of shares or other equity holdings, in domestic or foreign companies, to do business within the field of theoretical and practical training in fire, rescue, safety, offshore and related topics and directly or indirectly through domestic or international business partners to participate in other activities, which are deemed associated with the abovementioned purposes by the company's board of directors. The company has 37 employees.

RelyOn Nutec Holding B.V.

RelyOn Nutec Holding B.V., formerly named Falck Global Safety B.V., is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) pursuant to the Dutch Private Limited Liability Companies Act and supplementing Dutch laws and regulations domiciled in The Netherlands. The legal name of the company is RelyOn Nutec Holding B.V. and the commercial name is RelyOn Nutec. The company was incorporated in The Netherlands on 1st November 1983 and registered in the Netherlands Chamber of Commerce Business Register with the registered number 33292839 and LEI-code 5493008GYTO5YF6T3N46. The company's registered business address is Beerweg 71, 3199 LM, Maasvlakte Rotterdam, The Netherlands, and the company's telephone number is +31-181376666
Website: www.relyonnutec.com [1]

RelyOn Nutec Holding B.V. is owned 100% by RelyOn Nutec Holding A/S. The purpose of the company is directly - or indirectly through the holding of shares or other kinds of participating interests in domestic or foreign undertakings- to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domesti-cally and abroad that the board of directors finds is related to the above objects.The company has no employees.

RelyOn Nutec UK Ltd

RelyOn Nutec UK Ltd, formerly named Falck Nutec Ltd., is a private limited liability company pursuant to the UK Private Limited Liability Companies Act and supplementing UK laws and regulations domiciled in United Kingdom. The legal name of the company is RelyOn Nutec UK Ltd and the commercial name is RelyOn Nutec. The company was incorporated in United Kingdom on 3rd February 1993 and registered in the UK Companies Registry with the registered number 2786348 and LEI-code 549300Q5IY137JC6WJ21. The company's registered business address is Haverton Hill Industrial Estate, Billingham, Cleveland, TS23 1PZ, United Kingdom and the company's telephone number is +44-1642566656.
Website: www.relyonnutec.com [1]

RelyOn Nutec UK Ltd is owned 100% by RelyOn Nutec Holding B.V.. The purpose of the company is to directly - or indirectly through the holding of shares or other kinds of participating interests in domestic or foreign undertakings- to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. The company has 100 employees.

RelyOn Nutec Netherlands B.V.

RelyOn Nutec Netherlands B.V., formerly named Falck Nutec B.V., is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) pursuant to the Dutch Private Limited Liability Companies Act and supplementing Dutch laws and regulations domiciled in The Netherlands. The legal name of the company is RelyOn Nutec Netherlands B.V. and the commercial name is RelyOn Nutec. The company was incorporated in The Netherlands on 20th December 2004 and registered in the Netherlands Chamber of Commerce Business Register with the registered number 28102589 and LEI-code 549300LCNW4AB54CYM19. The company's registered business address is Beerweg 71, 3199 LM, Maasvlakte Rotterdam, The Netherlands, and the company's telephone number is +31 181 376 600.
Website: www.relyonnutec.com [1]

RelyOn Nutec Netherlands B.V. is owned 100% by RelyOn Nutec Holding B.V. The purpose of the company is to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. The company has 85 employees.

MSTS Asia Sdn. Bhd.

MSTS Asia Sdn. Bhd is a private limited liability company (*Sendirian Berhad*) pursuant to the Malaysian Private Limited Liability Companies Act and supplementing Malaysian laws and regulations domiciled in Malaysia. The legal name of the company is MSTS Asia Sdn. Bhd and the commercial name is MSTS. The company was incorporated in Malaysia on 5th January 2000 and registered in the Malaysian Chamber of Commerce Commercial with the registered number 502823-K and LEI-code 549300N4NA3G47GH8390. The company's registered business address is Lot 6.05, Level 6 KPMG Tower, 8 First Avenue, Bandar Utama Petaling Jaya 47800, Selangor Malaysia, and the company's telephone number is +60 6-292 2069.
Website: www.relyonnutec.com [1]

MSTS Asia Sdn. Bhd is owned 95% by RelyOn Nutec Holding A/S. The purpose of the company is to provide maritime safety and consultancy services for the oil and gas industry. The company has 83 employees.

Risktec (M) Sdn. Bhd.

Risktec (M) Sdn. Bhd. is a private limited liability company (*Sendirian Berhad*) pursuant to the Malaysian Private Limited Liability Companies Act and supplementing Malaysian laws and regulations domiciled in Malaysia. The legal name of the company is Risktec (M) Sdn. Bhd. and the commercial name is Risktec. The company was incorporated in Malaysia on 20th October 2003 and registered in the Malaysian Chamber of Commerce Commercial with the registered number 631761-U and LEI-code 549300ELTSY19VFZW363. The company's registered business address is 48 Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, 75200 Melaka, Malaysia and company number is +60-6-2836620.
Website: www.relyonnutec.com [1]

Risktec (M) Sdn. Bhd. is owned 100% by MSTS Asia Sdn. Bhd. The purpose of the company is to The purpose of the company is to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. Currently Risktec (M) Sdn. Bhd. is carrying out the above purpose indirectly as holding company. The company has no employees.

RelyOn Bestari Healthcare Sdn Bhd

RelyOn Bestari Healthcare Sdn Bhd., formerly named Falck Bestari Healthcare Sdn Bhd, is a private limited liability company (*Sendirian Berhad*) pursuant to the Malaysian Private Limited Liability Companies Act and supplementing Malaysian laws and regulations domiciled in Malaysia. The legal name

of the company is RelyOn Bestari Healthcare Sdn Bhd. and the commercial name is RelyOn Bestari. The company was incorporated in Malaysia on 6 May 2010 and registered in the Malaysian Chamber of Commerce Commercial with the registered number 900073-M and LEI-code 54930074OHF5PP3BR895. The company's registered business address is 48, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, 75200, Melaka, Malaysia, and the company's telephone number is +60-6-2836620.
Website: www.relyonnutec.com [1]

RelyOn Bestari Healthcare Sdn Bhd. is owned 82% by MSTS Asia Sdn. Bhd. The purpose of the company is to The purpose of the company is to The purpose of the company is to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. The company has 9 employees.

RelyOn Nutec Malaysia Sdn. Bhd.
RelyOn Nutec Malaysia Sdn. Bhd., formerly named Falck Nutec Malaysia Sdn. Bhd., is a private limited liability company (*Sendirian Berhad*) pursuant to the Malaysian Private Limited Liability Companies Act and supplementing Malaysian laws and regulations domiciled in Malaysia. The legal name of the company is RelyOn Nutec Malaysia Sdn. Bhd. and the commercial name is RelyOn Nutec. The company was incorporated in Malaysia on 13th September 2002 and registered in the Malaysian Chamber of Commerce Commercial with the registered number 592413-U and LEI-code 549300L6R1D0E83LQI66. The company's registered business address is Lot 6.05, Level 6 KPMG Tower, 8 First Avenue, Bandar Utama Petaling Jaya 47800, Selangor Malaysia, and the company's telephone number is +60-6-2836620.
Website: www.relyonnutec.com [1]

RelyOn Nutec Malaysia Sdn. Bhd. is owned 95% by RelyOn Nutec Holding B.V. The purpose of the company is to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. The company has 4 employees.

RelyOn Nutec Belgium BVBA
RelyOn Nutec Belgium BVBA, formerly named Falck Safety Services Belgium BVBA., is a private limited liability company *(besloten vennootschap met beperkte aansprakelijkheid*) pursuant to the Belgium Private Limited Liability Companies Act and supplementing Belgium laws and regulations domiciled in Belgium. The legal name of the company is RelyOn Nutec Belgium BVBA and the commercial name is RelyOn Nutec. The company was incorporated in Belgium on 13th December 2013 and registered in the Belgium Companies Registry with the registered number BE0543401225 and LEI-code 5493000Z52PE6385SH78. The company's registered business address is Esplanadestraat 1, 8400 Oostende, Belgium and the company's telephone number is +32 059295910.
Website: www.relyonnutec.com [1]

RelyOn Nutec Belgium BVBA is owned 100% by RelyOn Nutec Holding B.V, however with RelyOn Nutec Holding A/S owning one share. The purpose of the company is to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects.The company has 9 employees.

RelyOn Nutec USA Holdings, LLC
RelyOn Nutec USA Holdings, LLC, formerly named Falck USA Holdings, LLC., is a Delaware limited liability company pursuant to the US Private Limited Liability Companies Act and supplementing US laws and regulations domiciled at Houma, Louisiana. The legal name of the company is RelyOn Nutec

USA Holdings, LLC and the commercial name is RelyOn Nutec. The company was incorporated in the State of Delaware on March 7, 2008 and registered with the registered number 4515417 and LEI-code 549300XEKA6ZK8SC7720. The company's registered business address is 209 Clendenning Road, Houma, La 70363, United States and the company's telephone number is +1 866-404-9564. Website: www.relyonnutec.com [1]

RelyOn Nutec USA Holdings, LLC is owned 100% by RelyOn Nutec Holding A/S. The purpose of the company is directly - or indirectly through the holding of shares or other kinds of participating interests in domestic or foreign undertakings- to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. The company has no employees.

RelyOn Nutec Services, Inc.

RelyOn Nutec Services, Inc., formerly named Alford Services, Inc., is a legal corporation pursuant to the US Private Limited Liability Companies Act and supplementing US laws and regulations domiciled at Houma, Louisiana. The legal name of the company is RelyOn Nutec Services, Inc and the commercial name is RelyOn Nutec. The company was incorporated in the State of Louisiana on 26th June 1996 with the registered number 34531108D and LEI-code 5493005YKW11YUL1Z007. The company's registered business address is 209 Clendenning Road, Houma, La 70363, United States and the company's telephone number is +1 866-404-9564.
Website: www.relyonnutec.com [1]

RelyOn Nutec Services, Inc. is owned 100% by RelyOn Nutec USA Holdings, LLC. The purpose of the company is to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. Currently RelyOn Nutec Services, Inc is carrying out the above purpose indirectly as holding company. The company has no employees.

RelyOn Nutec USA, LLC

RelyOn Nutec USA, LLC, formerly named Alford Safety Services, LLC., is a Louisiana limited liability company pursuant to the US Private Limited Liability Companies Act and supplementing US laws and regulations domiciled at Houma, Louisiana. The legal name of the company is RelyOn Nutec USA, LLC and the commercial name is RelyOn Nutec. The company was incorporated in the state of Louisiana on 14th November 2000 with the registered number 35005427K and LEI-code 549300BUOUT85VYBQK10. The company's registered business address is 209 Clendenning Road, Houma, La 70363, United States and the company's telephone number is +1 866-404-9564.
Website: www.relyonnutec.com [1]

RelyOn Nutec USA, LLC is owned 100% by RelyOn Nutec USA Holdings, LLC. The purpose of the company is to carry on business within theoretical and practical training within the areas of fire, rescue, safety, offshore and related areas as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. The company has 125 employees.

Aberdeen Drilling School Ltd

Aberdeen Drilling School Ltd is a private limited liability company pursuant to the UK Private Limited Liability Companies Act and supplementing UK laws and regulations domiciled in United Kingdom. The legal name of the company is Aberdeen Drilling School Ltd and the commercial name is Aberdeen Drilling School. The company was incorporated in United Kingdom on 11th March 1982 and registered in the UK Companies Registry with the registered number SC077855 and LEI-code 5493003NW0YLBH8FE682. The company's registered business address is 50 Union Glen, Aberdeen, AB11 6ER, Scotland and the company's telephone number is +44 (0) 1224 572709.
Website: www.aberdeendrilling.com [1]

Aberdeen Drilling School Ltd is owned 100% by RelyOn Nutec Holding A/S. The purpose of the company is directly - or indirectly through the holding of shares or other kinds of participating interests in domestic or foreign undertakings- to carry on business within theoretical and practical training within the areas of drilling and well control as well as to participate directly and/or indirectly in any other business by cooperating with parties domestically and abroad that the board of directors finds is related to the above objects. The company has 19 employees.

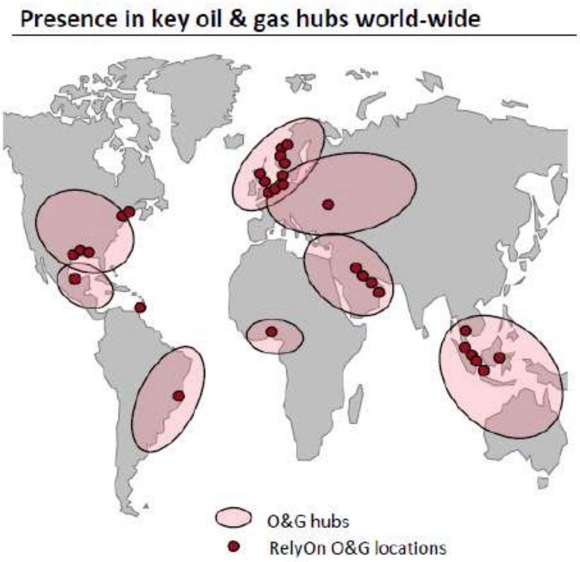
Operations of the Group

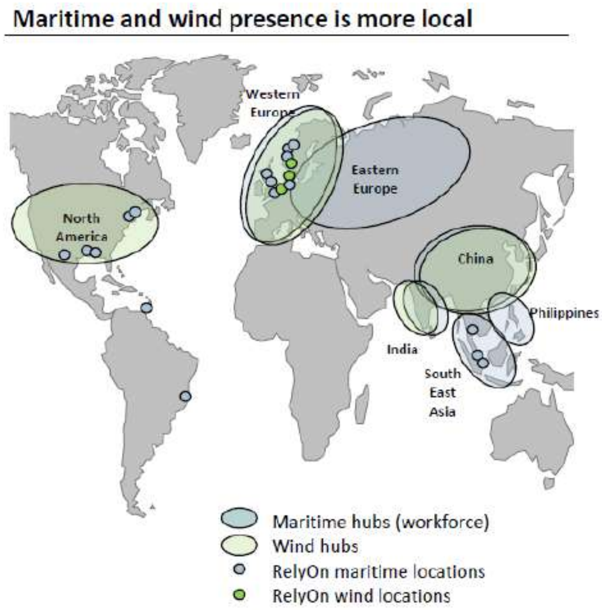
The org chart, attached to the Registration Document, shows the subsidiaries of the Company and the legal structure of the Group as of the date of this Registration Document.

6. Business overview

RelyOn Nutec is a global provider of safety training services to the oil and gas, wind and maritime industry globally, and other related business. RelyOn Nutec's mission is to manage and deliver training for the customers, so that they can focus on their core business. They want to ensure that their customers are competent and compliant at the right time to the right level. RelyOn Nutec offers training and compliance services according to international and national standards in the key sectors: Oil & gas, maritime, industrial and renewables. RelyOn Nutec offers OPITO accredited, basic and refresher training. Course offering includes Basic Offshore Safety (BOSIET), Helicopter Underwater Escape (HUET), Emergency Breathing Systems (EBS), GWO courses (wind) and maritime training according to OPITO, NOROG or STCW. Training services includes well control, scaffolding, rigging and slinging, crane operator and lifting equipment handling. Other related training services includes crisis management and emergency response training, health & safety training and training/compliance management solutions.

RelyOn has 34 active training facilities with international presence in most major oil and gas hubs with the majority of the facilities located in Europe, Asia and the US. RelyOn has a local maritime presence in Europe, US and Southeast Asia, and the wind presence is only in Europe. The training centres serving more than 250,000 delegates in 21 countries on six different continents annually.





For more information on each training locations, please see https://relyonnutec.com/

RelyOn Nutec works with a wide range of organisations to help build competence through the delivery of professional training. Over the years, RelyOn Nutec has diversified course offering to meet the needs of a wide range of industrial sectors. Across all sectors, we provide accredited training via dedicated facilities worldwide.

<u>Safety training</u>

RelyOn Nutec's health & safety training is designed to deliver the core skills and knowledge required to keep people safe and well at all times. All training is delivered through a combination of regular open courses and specific courses designed to meet the requirements of individual customers. Courses range from basic offshore health & safety and fire awareness to industrial and commercial health & safety training, covering both legislative and operational topics.

Maritime training

RelyOn Nutec has trained maritime personnel for over three decades and ensure that all maritime training meets the most stringent of standards like STCW. Many of the courses are accredited by organisations such as USCG, MCA, DMA, NSI, RYA, NMD. The courses cover a wide range of basic, refresher and advanced maritime safety training, including sea survival, fast rescue boat and survival craft STCW courses.

Renewables training

RelyOn Nutec provides dedicated safety training for the wind power and renewables sectors. The experience and knowledge of safety training for the offshore energy sector has proven invaluable in the development and delivery of practical, realistic safety training fully aligned to the needs of RelyOn Nutec’s customers in this sector. The facilities cater for the training needs of employees working at all stages of wind farm development from onshore construction to offshore decommissioning. RelyOn Nutec are accredited to deliver the GWO training package covering five core modules: Working at Height, Survival, Fire Fighting, Manual Handling and First Aid, Advanced Rescue Training and Enhanced First Aid.

Fire training

Fire training should be as practical and realistic as possible. RelyOn Nutec’s instructors are all ex-firefighters with the practical knowledge of dealing with emergency situations. Courses are delivered in a variety of training simulators where realistic fire scenarios are created to simulate emergency situations. The advanced and basic training programs use the latest techniques and technologies in a safe, controlled environment to ensure that all trainees receive maximum benefit from the course experience.

Crisis management

Options for training programmes range for full-scale scenario-based exercises onboard or onsite through to simulation-based training in RelyOn Nutec’s crisis management facilities around the world. During the training, participants will be confronted with incidents that can occur while they are executing their normal daily activities. Various realistic scenarios, matched to work processes and procedures, train the participants on how to act and communicate in crisis situations. The scenarios can include both senior and operational staff.

Well control training

Drilling crews play an essential role in running a safe and successful drilling operation. RelyOn Nutec offer well control services and well control training on an international basis. Courses are offered at various role-specific levels for drill crew, well engineers, drilling supervisors, OIMs and individuals with a requirement to hold an IWCF or IADC Well Control certificate.

Lifting & crane training

RelyOn Nutec offer technical training across all aspects of rigging and mechanical lifting. RelyOn Nutec’s training facilities are designed to reflect the complex, often difficult working environments that arise on a daily basis in many industries. The instructors have proven 'on the job' experience.

Online courses

Technology has made it possible to ensure competences are maintained over time via e-learning. RelyOn Nutec tailor online training to the costumers needs and continually explore the possibilities in e-learning to create the most effective and enjoyable training experience.

7. Administrative, management and supervisory bodies

ISSUER:

Bidco RelyOn Nutec A/S

Board of Directors:

Name	Position
Jakob Thomasen	Chairman
Jesper Teddy Lok	Board member
Henrik Bonnerup	Board member
Jan Damsgaard	Board member

Executive Management:

Name	Position
Torben Harring	Chief Executive Officer

The persons referred to above can be reached at the Company's business address.

GUARANTORS:

RelyOn Nutec Holding A/S

Board of Directors:

Name	Position
Jakob Thomasen	Chairman
Jesper Teddy Lok	Board member
Henrik Bonnerup	Board member
Jan Damsgaard	Board member

Management:

Name	Position
Torben Harring	Chief Executive Officer

The persons referred to above can be reached at the company's business address.

RelyOn Nutec Denmark A/S

Board of Directors:

Name	Position
Torben Korsgaard	Chairman
Søren Strøm	Board member
Torben Harring	Board member
Jesper Rene Daubjerg	Employee elected
René Kjer Petersen	Employee elected

Management:

Name	Position
Claus Nexø Hansen	Managing Director

The persons referred to above can be reached at the company's business address.

RelyOn Nutec Holding B.V.

Board of Directors:

Name	Position
Torben Harring	Chairman
Søren Strøm	Board member

Management:

The company has no own management.

The persons referred to above can be reached at the company's business address.

RelyOn Nutec UK Ltd

Board of Directors:

Name	Position
Colin Leyden	Chairman
Torben Harring	Board member
Søren Strøm	Board member

Management:

Name	Position
Duncan Bonner	Uk Managing Director

The persons referred to above can be reached at the company's business address.

RelyOn Nutec Netherlands B.V.

Board of Directors:

Name	Position
RelyOn Nutec Holding B.V	

Management:

The company has no own management.

The board of directors can be reached at the company's business address.

MSTS Asia Sdn. Bhd.

Board of Directors:

Name	Position
Wan Shukry	Chairman
Torben Harring	Board member
Roslee Bin Abdul RahimT	Board member

Management:

Name	Position
Roslee Bin Abdul Rahim	Managing Director

The persons referred to above can be reached at the company's business address.

Risktec (M) Sdn. Bhd.

Board of Directors:

Name	Position
Wan Shukry	Chairman
Roslee Bin Abdul RahimT	Board member

Management:

Name	Position
Roslee Bin Abdul Rahim	Managing Director

The persons referred to above can be reached at the company's business address.

RelyOn Bestari Healthcare Sdn Bhd

Board of Directors:

Name	Position
Wan Shukry	Chairman
Dr. Muzaffar Bin Salim	Board member
Roslee Bin Abdul Rahim	Board member

Management:

Name	Position
Roslee Bin Abdul Rahim	Managing Director
Dr. Muzaffar Bin Salim	Head of medical service

The persons referred to above can be reached at the company's business address.

RelyOn Nutec Malaysia Sdn. Bhd.

Board of Directors:

Name	Position
Wan Shukry	Chairman
Torben Harring	Board member
Roslee Bin Abdul Rahim	Board member

Management:

Name	Position
Roslee Bin Abdul Rahim	Managing Director

The persons referred to above can be reached at the company's business address.

RelyOn Nutec Belgium BVBA

Board of Directors:

The company has no board of directors.

Management:

Name	Position
Peter Van Cauwenberghe	

The person referred to above can be reached at the company's business address.

RelyOn Nutec USA Holdings, LLC

Board of Directors:

Name	Position
Torben Harring	Chairman
Søren Strøm	Board member

Management:

The company has no own management.

The persons referred to above can be reached at the company's business address.

RelyOn Nutec Services, Inc.

Board of Directors:

Name	Position
Jennifer Lewis	Chairman
Jarod Richard	Board member

Management:

The company has no own management.

The persons referred to above can be reached at the company's business address.

RelyOn Nutec USA, LLC

Board of Directors:

Name	Position
Jennifer Lewis	Chairman
Jarod Richard	Board member

Management:

The company has no own management.

The persons referred to above can be reached at the company's business address.

Aberdeen Drilling School Ltd

Board of Directors:

Name	Position
James Sutherland	Chairman
Torben Harring	Board member
Colin Leyden	Board member

Management:

The company has no own management.

The persons referred to above can be reached at the company's business address.

Set out below are brief biographies of the members of the Board of Directors and Management of the Issuer and Guarantors in alphabetical order:

Claus Nexø Hansen
Claus Nexø Hansen has a B. Sc. Management & Leadership and a Master of Business Administration. Mr. Hansen joined RelyOn Nutec in 2008 and has previous experience from PP Mester Maling.

Colin Leyden
Mr. Leyden has a Graduate Diploma from Glasgow College of Technology in 1989. He has previous experience from among others Norgren, MD UK & Ireland, Novar Systems UK and Polaroid (UK) Ltd.

Dr. Muzaffar Bin Salim
Dr. Muzaffar holds a degree in Medicine from University of Adelaide, South Australia. He joined MSTS/RelyOn Nutec in 2010 as Head of Medical Service, responsible in Clinical management and operation apart from being a general practitioner.

Duncan Bonner
Mr. Bonner has a Diploma in Safety Management an joined RelyOn Nutec in 2016. Mr. Bonner has previous experience from Randi Smith Training Solutions, MSIS, Maersk Training and NSL.

Henrik Bonnerup
Mr. Bonnerup has experience with management, M&A, financial and strategy. He also holds directorship in Allianceplus Holding A/S, Jetpak Top Holding AB and RelyOn Nutec Holding A/S.

Jakob Thomasen
Mr. Thomasen has experience with management of global, listed shipping and oil companies, strategy, investment, sale and purchase, financial issues and risk management. He also holds directorship in DHI A/S, ESVAGT A/S and RelyOn Nutec Holding A/S.

James Sutherland
Mr James Sutherland joined RelyOn Nutec in 2017. He has a ba ckground in finance and carried out Financial Director roles in the oil and gas industry before joining Aberdeen Drilling School.

Jan Damsgaard
Mr Damsgaard is a Professor at Copenhagen Business School, Department of Digitalization. Mr Damsgaard joined RelyOn Nutec as board member in August 2019.

Jarod Richard
Mr. Richard is a Certified Public Accountant (CPA) authorized in the State of Louisiana, USA, an MBA from the Nicholls State University and holds a Bachelor of Science degree in Accounting from Louisiana State University. He has previous experience from previous financial management positions at Gulf Island Fabrication, Inc. and International Offshore Services, LLC, as well as in telecommunications and public accounting.

Jennifer Lewis
Mrs. Lewis has a Bachelors in Science, Business Management. She has previous experience from among others Petrofac Training Services, VP Business Solutions.

Jesper Teddy Lok
Mr. Lok has experience with general management, shipping, financial and business insight. He also holds directorship in Allianceplus Holding A/S, Dagrofa ApS, Global Maritime Forum Fonden, Newsec Datea A/S, RelyOn Nutec Holding A/S, Santa Fe Group A/S and Vestergaard Company A/S.

Jesper Rene Daubjerg
Mr. Daubjerg is finance assistant and joined RelyOn Nutec in 2008. He has previous experience from i.a. DSV Road.

Peter van Cauwenberghe
Mr. Peter van Cauwenberghe joined RelyOn Nutec in 2014. Mr. Peter van Cauwenberghe has a master in Industrial Psychology and a post bachelor in marketing. He has previously held positions in Matexpo NV, Expo Advice and Expo Support.

René Kjer Petersen
Mr. Kjer Petersen is Operational Team Leader and joined RelyOn Nutec in 2008.

Roslee Bin Abdul RahimT
Mr. Roslee graduated with a degree in Electrical and Computer Science from Institute University of Technology Angouleme, University of Poitier, France. He was attached to various companies responsible in oil and gas business development.

Søren Strøm
Mr. Strøm is a State Authorized Public Accountant (CPA), Cand. Merc. Aud (M.Sc. Econ) and a HD(R) (B.Sc. Econ). He has previous experience from among others SimCorp A/S, DT Group A/S, Maersk Line, Clipper Group Ltd and EY as State Authorized Public Accountant and Partner.

Torben Harring
Mr. Harring has an Executive MBA from Copenhagen Business School in 2007 and a M.Sc. from KVL/University of Copenhagen in 1997. He joined Falck Safety Services in 2014. Mr. Harring has previously held positions in Dong Energy, DLG Group and Rockwool Group.

Torben Korsgaard
Mr. Korsgaard holds a BA Honors Business Studies. Mr. Korsgaard joined RelyOn Nutec (formerly Falck Safety Services) in 1998 and held prior to joining positions in J. Lauritzen Shipping and Maersk Drilling.

Wan Shukry
Mr. Wan Shukry holds a Master of Science degree from World Maritime University in Sweden. He joined MSTS as Managing Director in 2000. Prior to this, he was the Principal/Chief Executive Officer of Maritime Academy Malaysia responsible for the overall management, operation and development of the academy.

Potential conflict of interest
There are currently no potential conflicts of interests between any duties to the issuing entity of the persons referred to in this section and their private interests or other duties.

8. Major shareholders

ISSUER:

Bidco RelyOn Nutec A/S share capital is DKK 2,321,925 divided into 2,321,925 shares with each share having a nominal value of DKK 1. There is only one class of shares and there are no differences in voting rights between the shares.

Bidco RelyOn Nutec A/S is indirectly owned and controlled by Polaris Private Equity IV K/S (CVR-number 36486597). The structure is the following: Bidco RelyOn Nutec A/S s owned 100% by P-Holding RelyOn Nutec A/S. P-Holding RelyOn Nutec A/S is owned and controlled by P-RelyOn Nutec 2018 A/S (CVR-number 38826658), however a small minority shareholding is held by selected members of management. Polaris Private Equity IV K/S owns 98.5 % of P-RelyOn Nutec 2018 A/S. The remaining 1.5% is owned by CIV af December 2014 K/S (CVR-number 36550856).

Polaris is a private equity company investing in mid-sized companies. There are no measures in place to ensure that such control is not abused.

There are no arrangements known to the Issuer nor Guarantors, the operation of which may at a subsequent date result in a change in control of the Issuer or any Guarantors.

GUARANTORS:

RelyOn Nutec Holding A/S share capital is DKK 50,142,100 divided into 50,142,100 shares with each share having a nominal value of DKK 1. RelyOn Nutec Holding A/S is owned 100% by the Issuer.

RelyOn Nutec Denmark A/S share capital is DKK 2,010,000 divided into 20,100 shares with each share having a nominal value of DKK 100. RelyOn Nutec Denmark A/S is owned 100% by RelyOn Nutec Holding A/S.

RelyOn Nutec Holding B.V. share capital is EUR 102,666.65 divided into 102,666,650 shares with each share having a nominal value of EUR 0.01. RelyOn Nutec Holding B.V is owned 100% by RelyOn Nutec Holding A/S.

RelyOn Nutec UK Ltd share capital is GBP 100,000 divided into 100,000 shares with each share having a nominal value of GBP 1. RelyOn Nutec UK Ltd is owned 100% by RelyOn Nutec Holding B.V.

RelyOn Nutec Netherlands B.V. share capital is EUR 18,000 divided into 18,000 shares with each share having a nominal value of EUR 1. RelyOn Nutec Netherlands B.V. is owned 100% by RelyOn Nutec Holding B.V.

MSTS Asia Sdn. Bhd. share capital is RM 100,000 divided into 100,000 shares with each share having a nominal value of RM 1. MSTS Asia Sdn. Bhd. is owned 40% by RelyOn Nutec Holding B.V.

Risktec (M) Sdn. Bhd. share capital is RM 500,000 divided into 500,000 shares with each share having a nominal value of RM 1. Risktec (M) Sdn. Bhd. is owned 100% by MSTS Asia Sdn. Bhd.

RelyOn Bestari Healthcare Sdn Bhd issued share capital is RM 580,000 divided into 580,000 shares with each share having a nominal value of RM 1. RelyOn Bestari Healthcare Sdn Bhd is owned 82% by MSTS Asia Sdn. Bhd.

RelyOn Nutec Malaysia Sdn. Bhd. share capital is RM 1,000 divided into 1,000 shares with each share having a nominal value of RM1. RelyOn Nutec Malaysia Sdn. Bhd. is owned 60% by RelyOn Nutec Holding B.V.

RelyOn Nutec Belgium BVBA share capital is EUR 2,100,000 divided into 3,382,000 shares without nominal value. RelyOn Nutec Belgium BVBA is owned 100% by RelyOn Nutec Holding B.V, however RelyOn Nutec Holding A/S owning 1 share.

RelyOn Nutec USA Holdings, LLC share capital has no shares issued and is owned 100% by RelyOn Nutec Holding A/S.

RelyOn Nutec Services, Inc. with 90 issued shares. RelyOn Nutec Services, Inc. is owned 100% by RelyOn Nutec USA Holdings, LLC.

RelyOn Nutec USA, LLC has no shares issued and is owned 100% by RelyOn Nutec USA Holdings, LLC.

Aberdeen Drilling School Ltd share capital is GBP 141,711 divided into 141,711 shares with each share having a nominal value of GBP 1. Aberdeen Drilling School Ltd is owned 100% by RelyOn Nutec Holding A/S.

For the Guarantors where the Group holds an ownership share of less than 50%, the Group has determined that it has control of these Guarantors due to rights arising from the shareholders' agreements. The Guarantors are thus also classified as subsidiaries and fully consolidated.

9. Financial information

ISSUER:

The consolidated financial statements for BidCo RelyOn Nutec A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C for large enterprise. The financial information included herein should be read in connection with the annual financial statements which are attached to this Registration Document.

Bidco RelyOn Nutec A/S

	Parent	*Group*
	2018*	**2018***
** 30.03 - 31.12.2018*	*audited*	*audited*
Income statement	Page 44	Page 18
Balance sheet	Page 45	Page 19
Cash flow statement	-	Page 21
Notes	Page 46 - 49	Page 23 - 42
Accounting principles	Page 49	Page 40 - 42
Auditors report	Page 51 - 52	Page 51 - 52

GUARANTORS:

The financial statements for the Danish Guarantors have been audited and prepared in accordance with local GAAP. The financial information included herein should be read in connection with the annual financial statements which are attached to this Registration Document.

	RelyOn Nutec Holding A/S		**RelyOn Nutec Denmark A/S**	
	2018	**2017**	**2018**	**2017**
	audited	*audited*	*audited*	*audited*
Income statement	Page 7	Page 7	Page 8	Page 8
Balance sheet	Page 8-9	Page 8-9	Page 9-10	Page 9-10
Cash flow statement	Page N/A	Page N/A	Page N/A	Page N/A
Notes	Page 11-16	Page 11-13	Page 12-16	Page 12-15
Accounting principles	Page 17-21	Page 14-17	Page 17-20	Page 16-19
Auditors report	Page 2-4	Page 3-5	Page 2-4	Page 3-5

The financial statements for the Dutch Guarantors have been audited and prepared in accordance with local GAAP. The financial information included herein should be read in connection with the annual financial statements which are attached to this Registration Document.

	RelyOn Nutec Holding B.V.		**RelyOn Nutec Netherlands B.V.**	
	2018	**2017**	**2018**	**2017**
	audited	*audited*	*audited*	*audited*
Income statement	Page 6	Page 6	Page 6	Page 6
Balance sheet	Page 7-8	Page 7-8	Page 7-9	Page 5
Cash flow statement	Page N/A	Page N/A	Page N/A	Page N/A
Notes	Page 10	Page 10	Page 10-16	Page 7-22
Accounting principles	Page 10-11	Page 10-11	Page 10	Page 7
Auditors report	Page 3-5	Page 3-5	Page 3-5	Separate report

The financial statements for the British Guarantors have been audited and prepared in accordance with local GAAP. The financial information included herein should be read in connection with the annual financial statements which are attached to this Registration Document.

	RelyOn Nutec UK Ltd		**Aberdeen Drilling School Ltd**	
	2018 *audited*	**2017** *audited*	**2018** *audited*	**2017** *audited*
Income statement	Page 9	Page 9	Page 6	Page 4
Balance sheet	Page 10	Page 10	Page 7-8	Page 5-6
Cash flow statement	N/A	N/A	N/A	N/A
Notes	Page 12-21	Page 12-21	Page 10-18	Page 8-16
Accounting principles	Page 12-14	Page 12-14	Page 10-14	Page 8-12
Auditors report	Page 6-8	Page 6-8	Page 3-5	accountant report page 3

The financial statements for the Malaysian Guarantors have been audited and prepared in accordance with local GAAP. The financial information included herein should be read in connection with the annual financial statements which are attached to this Registration Document.

Please note that the design of the statement of financial position and the balance sheet have been changed in format in some of the financial statements between 2017 and 2018 due to change of auditor.

	MSTS Asia Sdn. Bhd.		**Risktec (M) Sdn. Bhd.**	
	2018 *audited*	**2017** *audited*	**2018** *audited*	**2017** *audited*
Income statement	Page 5	Page 10-11	Page 5	Page 10
Balance sheet	Page 6-7	Page 12-13	Page 6	Page 11
Cash flow statement	Page 11-12	Page 17-18	Page 8	Page 13
Notes	Page 37-56	Page 37-65	Page 19 to 24	Page 22-27
Accounting principles	Page 13-37	Page 19-36	Page 9-18	Page 14-22
Auditors report	Page 58-61	Page 6-9	Page 26-29	Page 6-9

	RelyOn Bestari Healthcare Sdn Bhd		**RelyOn Nutec Malaysia Sdn. Bhd.**	
	2018 *audited*	**2017** *audited*	**2018** *audited*	**2017** *audited*
Income statement	Page 5	Page 10	Page 5	Page 10
Balance sheet	Page 6	Page 11	Page 6	Page 11
Cash flow statement	Page 8	Page 13	Page 8	Page 13
Notes	Page 23-33	Page 26-36	Page 13-17	Page 20-24
Accounting principles	Page 9-23	Page 14-26	Page 9-13	Page 14-19
Auditors report	Page 35-38	Page 6-9	Page 19-22	Page 6-9

The financial statements for the Belgium Guarantor have been audited and prepared in accordance with local GAAP. The financial information included herein should be read in connection with the annual financial statements which are attached to this Registration Document.

RelyOn Nutec Belgium BVBA

	2018 *audited*	**2017** *audited*
Income statement	Page 7	Page 7
Balance sheet	Page 4	Page 4
Cash flow statement	Page 4	Page 4
Notes	Page 23	Page 23
Accounting principles	Page 20	Page 20
Auditors report	Separate report	Separate report

The financial statements for the American Guarantors have been audited and prepared in accordance with local GAAP. The financial information included herein should be read in connection with the annual financial statements which are attached to this Registration Document.

	RelyOn Nutec USA Holdings, LLC		**RelyOn Nutec Services, Inc.**	
	2018 *audited*	**2017** *audited*	**2018** *audited*	**2017** *audited*
Income statement	Page 6	Page 6	Page 6	Page 6
Balance sheet	Page 7-8	Page 7-8	Page 7-8	Page 7-8
Cash flow statement	Page N/A	Page N/A	Page N/A	Page N/A
Notes	Page10-13	Page 10-13	Page 10-15	Page 10-15
Accounting principles	Page 3-5	Page 3-5	Page 3-5	Page 3-5
Auditors report	Page 3-5	Page 3-5	Page 3-5	Page 3-5

RelyOn Nutec USA, LLC

	2018 *audited*	**2017** *audited*
Income statement	Page 6	Page 6
Balance sheet	Page 7-8	Page 7-8
Cash flow statement	Page N/A	Page N/A
Notes	Page 10-18	Page 10-18
Accounting principles	Page 3-5	Page 3-5
Auditors report	Page 3-5	Page 3-5

Other statements for the Group

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantors are aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or Group's financial position or profitability.

There is no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published. Furthermore, there has been no material adverse change in the prospects of the Issuer or Guarantors since the date of their last published audited financial statements.

There are no recent events in particular to the Issuer or Guarantors which are to a material extent relevant to the evaluation of the Issuer or Guarantors solvency.

There are no material contracts that are not entered into in the ordinary course of the Issuer's or Guarantors business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's or Guarantors ability to meet its obligation to security holders in respect of the securities being issued.

10. Documents on display

For the term of the Registration Document the following documents, where applicable, can be inspected:

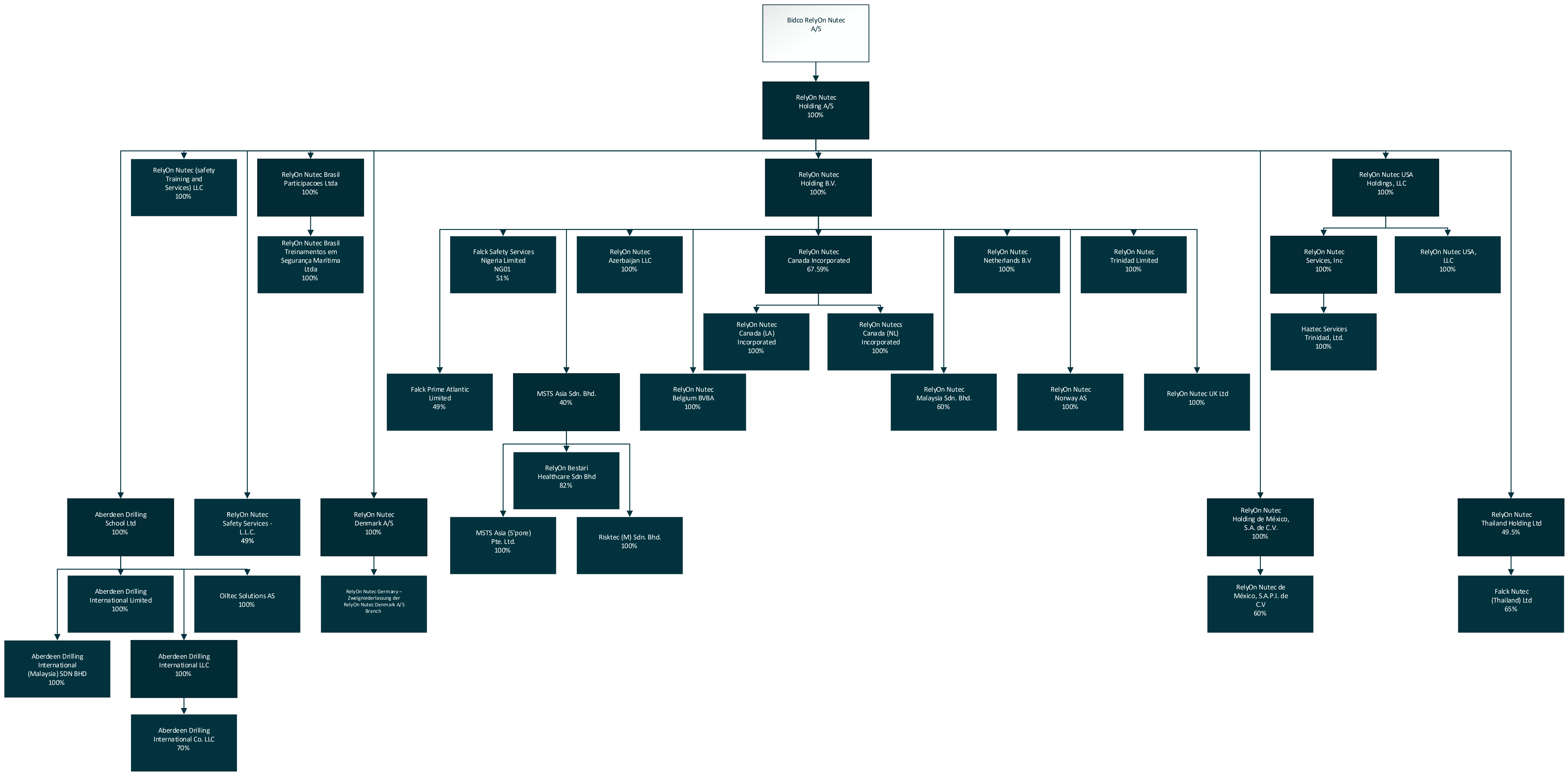
- the up to date memorandum and articles of association of the Issuer and the Guarantors;
- all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's or any Guarantors request any part of which is included or referred to in the registration document.

The documents may be inspected at www.relyonnutec.com.

11. Attachments

According to section 9 of the Registration Document, the 2018 financial information regarding the Issuer and the Guarantors financial statements for 2017 and 2018 are attached to this Registration Document as follows:

- Bidco RelyOn Nutec A/S – Org. chart
- Bidco RelyOn Nutec A/S - Annual report 2018 (30.03 - 31.12.2018)
- RelyOn Nutec Holding A/S - Annual report 2018 and 2017
- RelyOn Nutec Denmark A/S - Annual report 2018 and 2017
- RelyOn Nutec Holding B.V. - Annual report 2018 and 2017
- RelyOn Nutec UK Ltd - Annual report 2018 and 2017
- RelyOn Nutec Netherlands B.V. - Annual report 2018 and 2017
- MSTS Asia Sdn. Bhd. - Annual report 2018 and 2017
- Risktec (M) Sdn. Bhd. - Annual report 2018 and 2017
- RelyOn Bestari Healthcare Sdn Bhd - Annual report 2018 and 2017
- RelyOn Nutec Malaysia Sdn. Bhd. - Annual report 2018 and 2017
- RelyOn Nutec Belgium BVBA - Annual report 2018 and 2017
- RelyOn Nutec USA Holdings, LLC - Annual report 2018 and 2017
- RelyOn Nutec Services, Inc. - Annual report 2018 and 2017
- RelyOn Nutec USA, LLC - Annual report 2018 and 2017
- Aberdeen Drilling School Ltd - Annual report 2018 and 2017



Bidco RelyOn Nutec A/S
RelyOn Nutec Holding A/S 100%
RelyOn Nutec (safety Training and Services) LLC 100%
RelyOn Nutec Brasil Participacoes Ltda 100%
RelyOn Nutec Brasil Treinamentos em Segurança Marítima Ltda 100%
RelyOn Nutec Holding B.V. 100%
RelyOn Nutec USA Holdings, LLC 100%
Falck Safety Services Nigeria Limited NG01 51%
RelyOn Nutec Azerbaijan LLC 100%
RelyOn Nutec Canada Incorporated 67.59%
RelyOn Nutec Netherlands B.V 100%
RelyOn Nutec Trinidad Limited 100%
RelyOn Nutec Services, Inc 100%
RelyOn Nutec USA, LLC 100%
RelyOn Nutec Canada (LA) Incorporated 100%
RelyOn Nutecs Canada (NL) Incorporated 100%
Haztec Services Trinidad, Ltd. 100%
Falck Prime Atlantic Limited 49%
MSTS Asia Sdn. Bhd. 40%
RelyOn Nutec Belgium BVBA 100%
RelyOn Nutec Malaysia Sdn. Bhd. 60%
RelyOn Nutec Norway AS 100%
RelyOn Nutec UK Ltd 100%
RelyOn Bestari Healthcare Sdn Bhd 82%
Aberdeen Drilling School Ltd 100%
RelyOn Nutec Safety Services - L.L.C. 49%
RelyOn Nutec Denmark A/S 100%
MSTS Asia (S'pore) Pte. Ltd. 100%
Risktec (M) Sdn. Bhd. 100%
RelyOn Nutec Holding de México, S.A. de C.V. 100%
RelyOn Nutec Thailand Holding Ltd 49.5%
Aberdeen Drilling International Limited 100%
Oiltec Solutions AS 100%
RelyOn Nutec Germany – Zweigniederlassung der RelyOn Nutec Denmark A/S Branch
RelyOn Nutec de México, S.A.P.I. de C.V 60%
Falck Nutec (Thailand) Ltd 65%
Aberdeen Drilling International (Malaysia) SDN BHD 100%
Aberdeen Drilling International LLC 100%
Aberdeen Drilling International Co. LLC 70%

RelyOn Nutec

360° Safety

(BidCo RelyOn Nutec A/S)

Annual Report 2018

30.03-31.12 2018

Company reg. no 39 46 78 36

Content

www.relyonnutec.com

BidCo RelyOn Nutec A/S
CVR-nr. 39 46 78 36
Kalvebod Brygge 45, 3rd floor
1560 Copenhagen

Management review

"A solid start for us as an independent company"

RelyOn Nutec Holding A/S (formerly Falck Safety Service Holding A/S) were successfully carved out of the Falck Group on 20 September 2018 and acquired by Polaris Private Equity via BidCo RelyOn Nutec A/S.

The Annual Report covers the period from 30 March 2018, where the BidCo RelyOn Nutec A/S was formed to acquire Falck Safety Services Holding A/S (Now RelyOn Nutec Holding A/S). However, the Annual Report only includes consolidated numbers for the RelyOn Nutec Group from closing, i.e. 20 September to 31 December 2018.

Following the effect of the downturn in the oil and gas sector, we have in recent years conducted a thorough and necessary global cost adjustment and carved out more than one third of the cost base. In parallel we initiated a process of streamlining and commercialising our business. This has now started to pay off, and we are well on track with our plan as a stand alone business.

For 2018 our full year (unaudited) proforma revenue increased from DKK 756 million in 2017 to DKK 831 million in 2018, while EBITDA increased from DKK 69 million in 2017 to DKK 97 million in 2018.

Outlook
We have a real opportunity to leverage our leading international position by driving commercial excellence, service expansions and global alignment.

We see signs of recovery of the Oil & Gas sector within the next one to three years, and long term supportive growth in the offshore wind and the maritime sectors.

Furthermore there are interesting acquisition opportunities that can further strengthen our position both in terms geographic expansion, service portfolio expansions and digitalisation.

Safety
We have instructed and guided in safety training for decades. Safety is our DNA and is of outmost importance to us. We continuously strive to provide a safe environment for our employees and delegates and we encourage them to think about safety in their daily work.

Preparation
The annual report has been prepared in accordance with IFRS as adopted by the EU and with the recommendation outlined by Danish Venture Capital Association.

Operation
The Annual Report for the group consist of the consolidated numbers from closing, i.e. 20 September – 31 December 2018.
In 2018 the primary source of revenue derives from safety training. Revenue and EBITDA for the period amounts to DKK 248 million and DKK 35 million respectively.

The result for the year amounts to DKK -20 million and includes one cost of DKK 27 million related to the acquisition.

The result for the year is deemed as satisfactory.

Cash flow
Operating activities in the period generated a net outflow of DKK -11 million. There was a net cash outflow from investing activities of DKK 482 million, where of DKK 413 million is related to the acquisition of Falck Safety Services Holding A/S. Cash inflow from Financing activities was DKK 599 million. The vast majority, DKK 624 million, related to the financing of the acquisition mentioned before.

Acquisition
RelyOn Nutec has acquired the remaining 75% of the shares in Aberdeen Drilling School Ltd. as of October 2018.

"Changing our name signals an acceleration of our transformation and expansion"

Torben Harring
Group CEO

Søren Strøm
Group CFO

Key figures

Financial highlights

Profit and loss accounts	DKKm
Revenue	248
Operating profit before depreciation, amortization, and impairment losses (EBITDA)	35
Operating profit before other items (EBITA)	24
Net financials	(6)
Profit/loss for the year	(19)

Balance sheet	
Total assets	1,001
Investments	369
Total equity attributable to owners of the parent company	277

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2015).

Cash flows	DKKm
Operating activities	(11)
Investing activities	(482)
Hereof investments in intangible and tangible fixed assets	(21)
Financing activities	599
Net cash flow for the year	106

Employees	
Average number of employees	1,043

Key Ratios	
Solvency ratio (%) (Equity / Assets)	28%

5 Continents

20 Countries

+30 training centres

+250K trained annually

Locations and sectors (% of revenue 2018)

Sector	% of revenue
Offshore Oil & Gas	~65%
Renewables	~4%
Maritime	~3%
Industrial	~28%

RelyOn Nutec 360° Safety

Our legacy

RelyOn Nutec evolved from a Danish fire training provider to an international multi-service safety, survival and skills training provider

RelyOn Nutec has grown steadily to be the world's leading international training provider. With operations in key locations worldwide, we continue to build on the foundations of the past, as we look to future.

Focused on our mission
Our mission is to manage and deliver training for our customers, so that they can focus on their core business. We want to ensure that your people are competent and compliant at the right time to the right level. We ensure they have the skills to deliver your business goals.

True to our foundation
Our business was founded on the belief that real life, practical training is the key to acquiring the competences needed to execute complex and dangerous tasks. Whether the challenge is focused on fire or water, we will train your people to better understand their own emotional reactions in stressful situations. By ensuring people are familiar with these emotions under expertly managed conditions, we give them the skills to respond under any crisis situation.

Responding to customer needs
Our extensive experience has given us an unrivalled insight into the ever-changing needs of our customers in the market. As more and more customers look to outsource their training management needs, we have developed Training Management Services as a core part of our business today. Indeed, our expertise in navigating and administering the complex landscape of training regulations, and turning it into a seamless, structured training process has proven to be the most cost effective and efficient way to ensure personnel are compliant.

Embracing new technologies
Technological advances are driving our industry to new levels of effectiveness. New tools and approaches such as 3D digital platforms, elearning and blended training are making the training experience increasingly realistic – and increasingly efficient. We have formed a series of partnerships with technology partners to help our customers embrace the many benefits of these exciting new training techniques.

Driving our expertise forward
Many of the sectors in which we operate have experienced major changes and challenges in recent years. Increasingly we have seen short-term global economic pressures impact on our customers' long-term business forecasts. Many businesses worldwide have had to rationalise and reinvent themselves. To ensure that we continue to help our customers to navigate this landscape, we look to drive continuous improvement in our own business. Our ambition is to always be at the forefront of innovation in training and skills development to ensure our customers are among the first to benefit from the new solutions of the future.

1997 Falck acquires shares in Esbjerg Brandstation

2004 Global Safety Group (NUTEC) acquired

2006 Establishes training as a separate division

2008 Acquires Alford Group in Louisiana, Onsite in United Kingdom and a facility in Nigeria

2009 Establishes new facilities in Thailand, Vietnam, Singapore and Abu Dhabi

2010 Acquires shares in P.T. Samson Tiara in Indonesia. Opens new facilities in Texas and New Orleans

2012 Acquires Caspian Safe in Azerbaijan

2013 Opens new facilities in Germany, Mexico & Netherlands. Acquiring Survival System Training in Canada

2014 Acquires Sørlandets Sikkerhet in Norway & OST in Houston. Opens new facilities in Belgium, Netherlands & Dubai

2016 Establishes training center in Qatar

2017 Acquires Aberdeen Drilling School

2018 Acquired by Polaris

2019 Changed name to RelyOn Nutec

Our business

WE SEE SAFETY FROM A COMPLETE 360° PERSPECTIVE

OUR VALUE PROPOSITION
WE ARE THE GLOBAL PARTNER IN SAFETY SOLUTIONS THAT PUTS PEOPLE FIRST

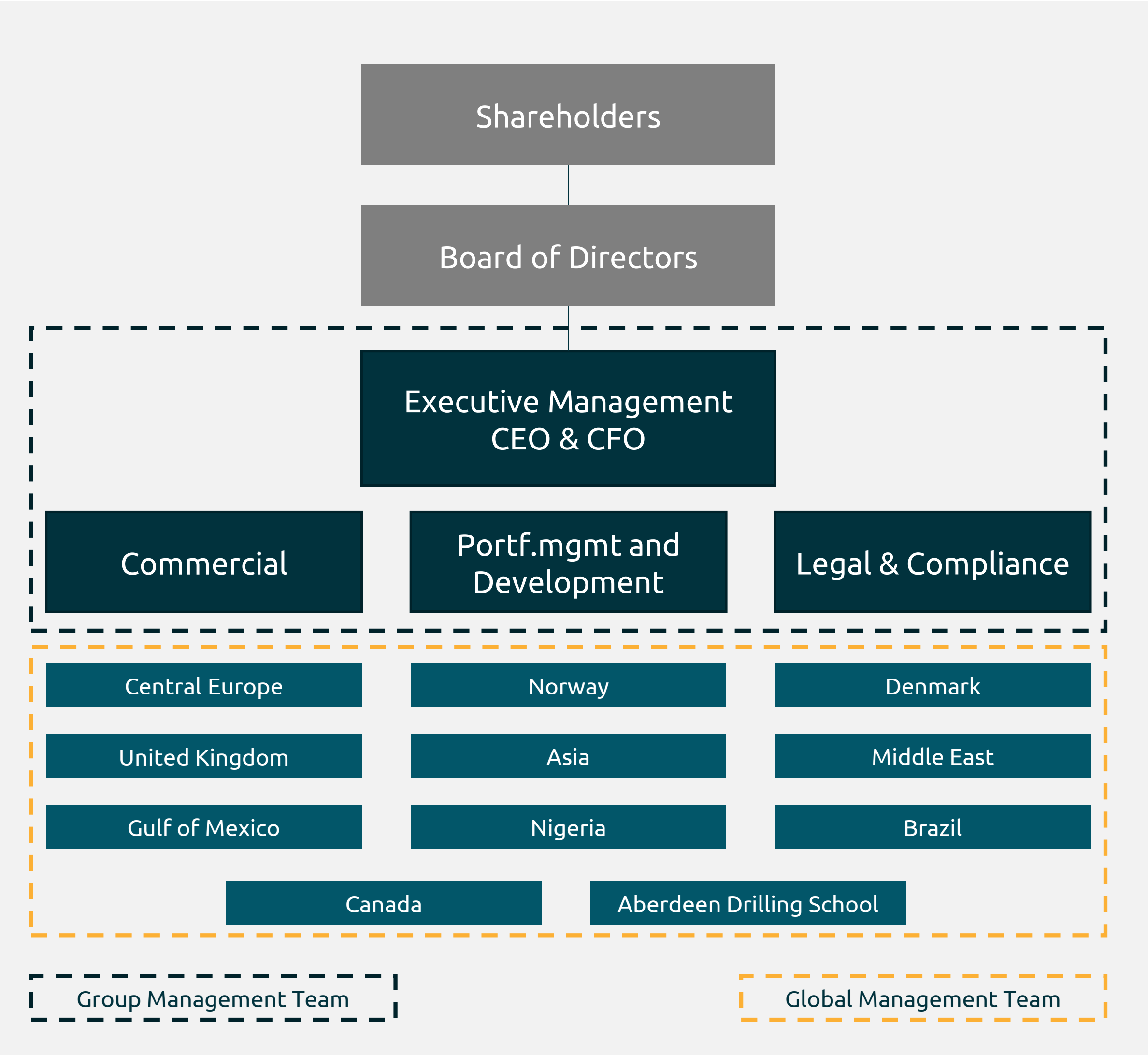
The 360° safety cycle enables us to uncover all elements of risk to our customers' safety.

By taking the 360° perspective we help consider risks that people may not even be aware of, especially those beyond regulatory compliance.

RelyOn Nutec 360° Safety

Corporate governance & risk

Corporate governance



Board of Directors

The general Meeting elects the members of the Board of Directors.

The Board of Directors shall annually revise and oversee the overall strategy, business and action plan for RelyOn Nutec and approve the annual budget for the next financial year.

The Board of Directors has decided not to establish an Audit Committee, however the Board of Directors handles the tasked related to such an committee.

Outline of responsibility:
- Lay down general business and management principles of the Company
- Decide on strategy and risk policies for the Company
- Supervise the performance of the Company, the Executive Management and secure the proper organization of the Company
- Review the Company's financial position, capital resources and reporting on financials and performance
- Appoint members of the Executive Management

The board of Directors will convene at least four times per year.

Executive Management

The Executive Management is appointed by the Board of Directors and consist of Chief Executive Officer (Group CEO) and Chief Financial Officer (Group CFO).

The Executive Management is responsible for RelyOn Nutec's day-to-day management of the Company in accordance with the directions provided by the Board of Directors, among others comprising:

- Develop the business and provide strategies for the Company to be approved by the Board of Directors
- Implement the strategy for the Company and execute on investments and divestments
- Develop the organizational structure of the Company and allocate resources
- Drive and monitor the performance of the
- Company
- Prepare internal and external financial reporting
- Establish internal policies and procedures for relevant topics such as accounting, finance, IT, etc.
- Oversee Enterprise Risk Management
- Report to the Board of Directors

RelyOn Nutec 360° Safety

Risk management

RelyOn Nutec is required to consistently identify, manage and monitor risks globally and rapidly share risk mitigation solutions against critical risks.

RelyOn Nutec maintains a reporting and review process to create an overview of risks and full transparency into mitigating controls for the entire Group and its constituent entities, divisions and business streams.

The objective is to demonstrate that RelyOn Nutec is aware of risks and is actively managing top risks in order to deliver the best possible service to customers, protect the value of the business, safeguard future earnings and reduce costs associated with risk events.

Risk is defined as "*all threats to the current value of the business and its future cash flows*".

Identification
Identification is made in a joint effort between HQ and the local teams. Evaluation and control are performed through the global risk management platform.

Evaluation
All identified risks are evaluated through the global risk management platform. Risk assessment is rated for impact and likelihood.

Control
Risk response actions depend on the evaluation. Response actions have the nature of control, awareness, communication and/or other preventing actions.

Report
Communication and monitoring are made through the global risk management platform.

An overall report is presented to the Executive Management, which includes risk assessment and risk response for the following risks:

- Safety incidents
- Material slowdown in exploration or industry
- Change in industry standards
- Competition
- Technology disruption
- Claims and litigations
- Taxes and charges
- Employment related matters
- IT breakdown
- Loss of certificates and accreditation

Definition and mitigation of risk are outlined on page 12 and 13. Financial risk are outlined in note 3.1

Risk management principles

The Board of Directors assist the Executive Management in overviewing the Company's overall risk-taking while the Executive Management is responsible for identifying and analyzing material risks and developing the Company's risk management. Exposures and the utilization of the framework are reported to the Board of Directors on a monthly basis.

Risk Management

Safety incidents

Risk	Mitigation
Incident occurs where student is severely injured or even killed.	Safety instructions prior to the start of any training sessions. Documentation of incidents and close communication with customers about any incidents.

Material slowdown in exploration or industry

Risk	Mitigation
The majority of activities is related to the Oil and Gas market, ref. note 4. Profitability and cash flow are dependent on the level of oil and gas capital spending by such companies who are dependent on the market price of oil and gas.	Roll-out of Compliance Management Systems are ongoing, which ensures volume, stickiness and market intelligence. Product development and entry into new industries are ongoing, however, with a decreased focus towards the oil and gas market.

Change in industry standards

Risk	Mitigation
The Group is affected by various legislation, regulations and standards, including, global industry standards, environmental regulations and service liability regulations with regards to safety and security. Amendments or restatements of laws, regulations and standards, leading to stricter requirements and changed conditions regarding safety, health and environment, or a development to a stricter implementation and application by the authorities of existing laws and regulations may have several negative implications for the Group.	The QHSE departments are responsible for ensuring compliance with existing standards and for implementing new standards. The QHSE departments ensure test of new standards prior to enforcing the change in the training sessions. After the change in standards, the regulator is to approve the change in industry standards before they are reflected in practice.

Competition

Risk	Mitigation
The Group's competitors compete on price, location, quality and range of services, and service offering availability in a generally commoditized market, with small differences between the service providers. There is a risk that an increase in competition will lead to price pressure within the industry as a whole and for individual customers with regards to seeking out new customers, as well as retaining current customers.	Roll-out of Complimentary Management Systems are ongoing, which ensures volume, stickiness and market intelligence.

Risk Management

Technology disruption

Risk	Mitigation
There is a risk that new technologies will be developed, and that the Group will be unable to implement these technologies or adapt its service range and business model in time to exploit the benefits of new or existing technologies. There is also a risk of future new technologies making the Group's services less competitive and more difficult to sell.	The Group monitors the demand for training through market intelligence and requests from the market. The Group invests in the areas needed to keep up with market developments and technology requirements.

Taxes and charges

Risk	Mitigation
The Group conducts its business in accordance with its interpretation of applicable tax regulations, including the applicable tax rates, and applicable requirements and decisions. There is a risk that changes in legislation or practice or any challenge by the tax authorities of the Group's interpretation of applicable laws will lead to an increase in the Group's tax liabilities and/or lead to sanctions by the tax authorities, resulting in adverse effects on the Group's business, earnings and financial position.	The Group acknowledges its responsibility to pay accurate taxes and/or charges which are related to the operation. The Group is cooperating with local advisors to ensure compliance with local legislation.

IT breakdown

Risk	Mitigation
The Group depends on information technology to manage critical business processes, including administrative and financial functions. Failure of the Group's information technology systems could cause transaction errors and loss of customers, and could have an adverse effect on the Group's business, earnings, and financial position as well as future prospects.	The Group has a dedicated IT Department to monitor business critical application. The Group aims at using standard systems, whenever possible. The purpose is to lower exposure and increase the ability to receive assistance from external resources.

Claims and litigation

Risk	Mitigation
The Group is and may in the future become involved in different disputes in connection with its operations. Disputes may relate to inter alia agreements, intellectual property and failure to deliver stipulated services. Such disputes may be costly, time consuming, relate to large amounts and may disrupt the normal business of the Group.	The exposure is mitigated through two elements: - The Legal Counsel has approved the possibility for larger contracts with customers to lower potential new exposures. - Insurance is used as mitigation.

Employment related matters

Risk	Mitigation
As the Group employs staff in different countries, there are demanding requirements for the Group to comply with many different labour regulations and requirements regarding pension schemes, salaries, working hours, etc.	The Group employs staff according to local legislation. The Group aims at avoiding cross-border employment to lower the risk for incorrect employment.

Loss of certificates and accreditation

Risk	Mitigation
Several certificates and accreditation are business critical for the operation.	The Group has enforced a QHSE department to ensure compliance with standards. The department is responsible for internal and external quality audits.

RelyOn Nutec 360° Safety

Corporate Social Responsibility

RelyOn Nutec was carved-out from Falck in 2018 and is undergoing a significant transformation. Corporate Social Responsibility is one of the key areas of focus and in 2018 the focus was on preparing and establishing an appropriate governance and framework around CSR. This work will continue and be developed in 2019, which will also entail improved and more detailed reporting for 2019.

Business model

For a description of our business model please refer to page 8.

Approach to CSR

RelyOn Nutec does not have a separate CSR policy as elements that may be included in a CSR policy are already an integral part of RelyOn Nutec's business behavior, including the company's Code of Conduct and other relevant specific policies and procedures.

However, RelyOn Nutec is committed to respect human rights, to manage environmental impacts and manage anti-corruption. RelyOn Nutec adheres to all applicable laws as well as internal policies and procedures.

Therefore, RelyOn Nutec is in the process of introducing an improved culture on compliance and complete a review of the existing framework and governance. This also entails that new targets and objectives for the corporate social responsibility area will be defined during 2019.

Governance documents and procedures have been prepared and implemented to support and ensure that the above vision is complied with. Further, a management system is in place in order to support and ensure due implementation, improving performance and ensure an appropriate culture with respect to the policies and procedures in place.

Code of Conduct and UN Global Compact

RelyOn Nutec has a Code of Conduct, outlining the expectations to and reflecting the principles on how we conduct our business, and how our providers and employees are expected and required to act.

It has been decided that the RelyOn Nutec Group will work towards signing up to the UN Global Compact, hence initiatives will be initiated to ensure that this will be achieved in due course. This will also entail that the Code of Conduct will be reviewed and updated during 2019.

Primary CSR Related Risks and Policies

Labour

RelyOn Nutec believes that an engaged and motivated workforce that is offered development opportunities will produce better quality work and be more satisfied. RelyOn Nutec invests in the development of employee skills, knowledge and competencies as this is essential for the success of the group and continued satisfaction of the employees.

RelyOn Nutec has numerous policies in place to ensure the well-being, health, safety and security of our employees, including policy on health and safety, on safe driving and on human rights. With respect to health, safety and security we have in 2018 continued to work systematically to implement improvements across the Group.

The RelyOn Nutec Group wishes to contribute to the society and to the people that we engage with when conducting our business. Our commitment to respect and protect human rights is among other things following the UN Guiding Principles on Business and Human Rights and inspired by ILO Declaration on Fundamental Principles and Rights at Work.

Human Rights and Data Protection

Further, RelyOn Nutec has great focus on ensuring that the employees and customers' personal data is not misused. This is ensured by compliance initiatives and ongoing projects with respect to processing and protecting personal data to continuously ensure the highest standard of data protection. All such data protection projects and initiatives continued throughout 2018 and are anchored with the Group General Counsel.

Environment and climate

RelyOn Nutec does not have a separate policy on environment and climate as this is not deemed appropriate. However, some environmental elements are already an integral part of RelyOn Nutec's business behavior, including the company's Code of Conduct and other relevant specific policies and procedures.

Anti-corruption

RelyOn Nutec conducts business in accordance with all relevant laws and regulations in all counties including the FCPA and the UK Bribery Act and adheres to all policies and procedures. The RelyOn Nutec Group operates in areas of the world where corruption is not an uncommon practice. Therefore, it is crucial that appropriate policies and procedures are duly implemented and that measures are taken to mitigate this risk and to prevent non-compliant practices. One initiative implemented in 2018 to mitigate the risk in this area is a roll-out of business ethics through e-learning sessions across the RelyOn Nutec Group. Continuous focus will remain on anti-corruption and additional initiatives will be implemented in order to mitigate and prevent non-compliant practices.

Activities and Results in 2018

It is assessed by Group Management that the continued work with and focus on human rights and corporate social responsibility contributes positively to the Group's reputation and performance.

Due to the transformation RelyOn Nutec has undergone in 2018, and due to that our CSR related activities in 2018 were all about creating the proper set up and governance around CSR, we do not have results to report area by area. It is our ambition that this will be possible in 2019.

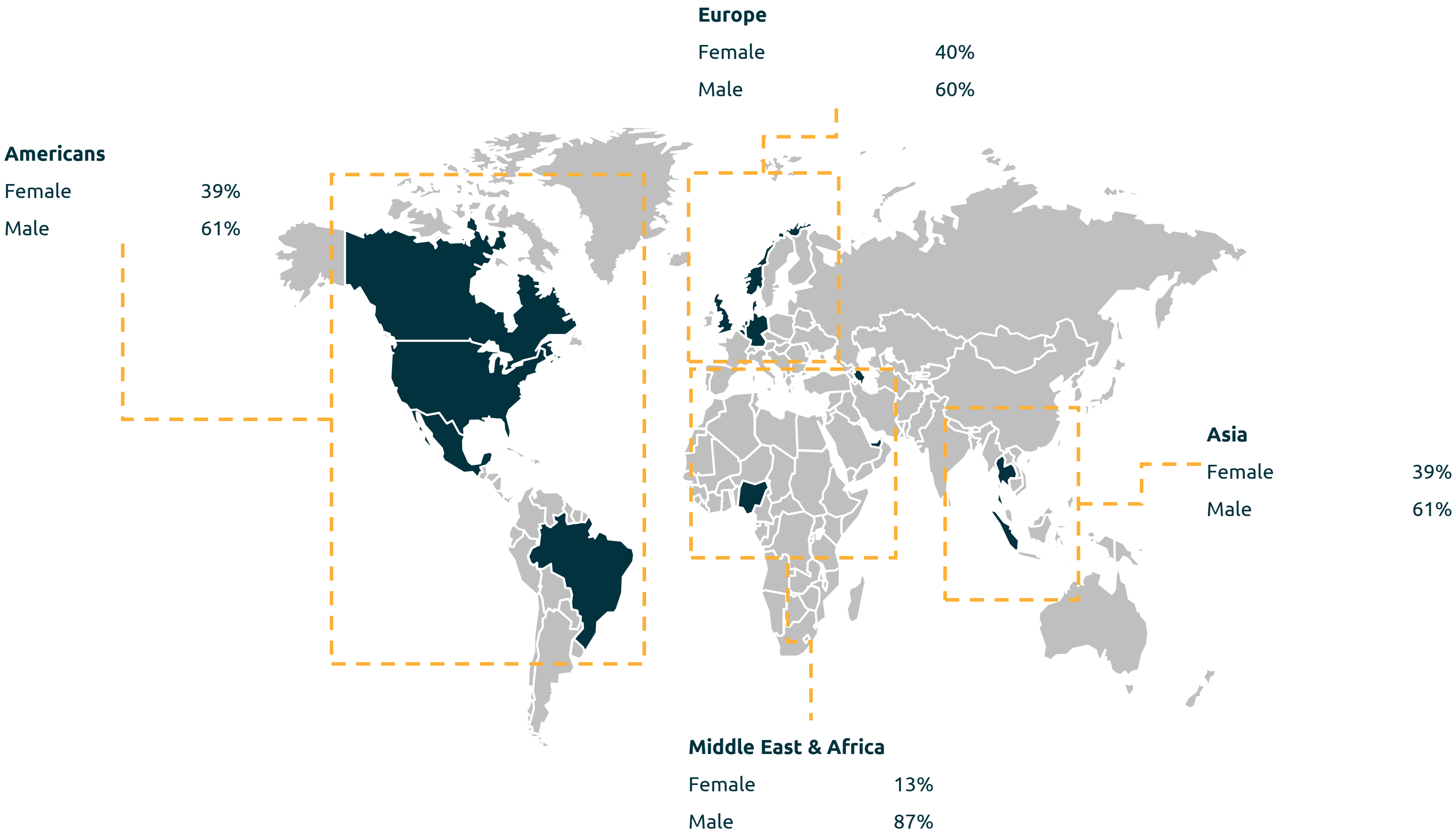
Diversity

RelyOn Nutec's core principle for diversity is to ensure equal conditions and opportunities for every individual, including gender diversity. Following this principle, RelyOn Nutec's approach to gender diversity is that the composition of the management levels, over a number of years, should reflect the composition of the wider group of employees.

The core principle for diversity is that there must be equal conditions for all, this applies e.g. both with respect to external candidates applying for leadership positions within the RelyOn Nutec Group and regarding internal promotions.

The composition of employees of the RelyOn Nutec Group consists of 34% women and 66% men. The management level below Group Management consists of 21% women and 79% men. The Board of Directors consist of three men, while Group Management in 2018 consisted of 3 men and one woman. The target in relation to gender composition of Group Management is that at least 20% of Group Management underrepresented gender. It is the target within five years, that the Board of Directors must consider at least 1/3 of the underrepresented gender.

RelyOn Nutec has continuous focus on diversity including gender composition across the Group. Further assessments will be initiated to monitor diversity within the Group and RelyOn Nutec will in 2019 define a more detailed policy for this area.



Financials

Consolidated Financial Statements 2018

Consolidated financial statements

Income statement

	Note	30.03 - 31.12.2018 DKKm
Revenue	1.1	248
Other income		3
Cost of sales and external assistance		(59)
Employee costs	1.2	(113)
Other operating costs		(44)
Operating profit before depreciation, amortization, impairment losses and other items (EBITDA)		**35**
Depreciation and impairment losses on property, plant and equipment	1.3	(11)
Operating profit before other items (EBITA)		**24**
Special items	1.4	(36)
Amortization of intangible assets	1.3	(2)
Operating profit (EBIT)		**(14)**
Financial income	1.5	4
Financial expenses	1.6	(10)
Profit/loss before tax		**(20)**
Income tax	1.7	1
Profit/loss for the period		**(19)**
Profit/loss for the year is attributable to:		
Owners of BidCo RelyOn Nutec A/S		(22)
Non-controlling interests		3
Total		**(19)**

Statement of comprehensive income

	30.03 - 31.12.2018 DKKm
Profit for the period	(19)
Other comprehensive income	
Items that will be subsequently reclassified to profit or loss	
Exchange rate adjustments of foreign entities	(2)
Total comprehensive income for the period	**(21)**
Total comprehensive income for the period is attributable to:	
Owners of BidCo RelyOn Nutec A/S	(24)
Non-controlling interests	3
Total	**(21)**

Supplementary information
The consolidated financial statements include consolidated figures from 20 September 2018 to year-end.

Consolidated financial statements

Balance sheet

	Notes	31 December 2018 DKKm
Goodwill	2.1	136
Brands	2.1	55
Customer contracts	2.1	60
Knowhow	2.1	27
Other intangible assets	2.1	8
Property and plant	2.2	205
Equipment	2.2	117
Leasehold improvement	2.2	30
Asset under construction	2.2	17
Deferred tax asset	2.3	13
Other non-current assets		4
Total non-current assets		**672**
Trade receivables	2.4	162
Contract assets	2.4	19
Prepayments		18
Other receivables		24
Cash and cash equivalents		106
Total current assets		**329**
Total assets		**1,001**

	Notes	31 December 2018 DKKm
Share capital		2
Foreign currency translation reserve		(2)
Retained earnings		277
Total equity attributable to owners of the parent company		**277**
Non-controlling interests		27
Total equity	**2.5**	**304**
Bond	3.6	326
Provisions	4.3	92
Financial lease	4.4	35
Other non-current debt		16
Total non-current liabilities		**469**
Provisions	4.3	12
Credit facility	3.4	12
Trade payables		93
Deferred consideration		50
Financial lease	4.4	4
Other liabilities		57
Total current liabilities		**228**
Total liabilities		**697**
Total equity and liabilities		**1,001**

Consolidated financial statements

Statement of changes in equity

DKKm	Share capital	Foreign currency translation reserve	Retained earnings	Total equity attributable to owners of Bidco RelyOn Nutec A/S	Non-controlling interests	Total
Equity at 30.03.2018	0			0		0
Profit for the period			(22)	(22)	3	(19)
Other comprehensive income		(2)		(2)		(2)
Total comprehensive income for the period	**0**	**(2)**	**(22)**	**(24)**	**3**	**(21)**
Transactions with owners in their capacity as owners						
Capital increase	2		274	276		276
Non-controlling interests on acquisition of subsidiary				0	29	29
Group contribution			25	25		25
Dividend				0	(5)	(5)
Total transactions with shareholders	**2**	**0**	**299**	**301**	**24**	**325**
Equity at 31.12.2018	**2**	**(2)**	**277**	**277**	**27**	**304**

Consolidated financial statements

Cash flow statement

	Notes	30.03 - 31.12.2018 DKKm
Operating profit before depreciation, amortization, impairment losses and other items (EBITDA)		35
Changes in net working capital	4.5	12
Interests paid		(10)
Income taxes paid	1.6	(2)
Special items paid		(46)
Net cash flow from operating activities		**(11)**
Purchase of property, plant and equipment	2.2	(19)
Purchase of intangible assets	2.1	(2)
Proceeds from sale of property, plant and equipment		3
Purchase of shares from minority shareholders		(42)
Purchase of subsidiaries, net of cash	4.2	(413)
Change in other investment activities		(9)
Net cash flow from investing activities		**(482)**
Proceeds from borrowings	3.7	348
Capital increase		276
Dividend paid, non-controlling interest		(5)
Change in other financing activities		(20)
Cash flow from financing activities		**599**
Net cash flow for the period		**106**
Cash and cash equivalents, beginning of the year		0
Effects of exchange rate changes on cash and cash equivalents		0
Cash and cash equivalents at end of the year	**4.5**	**106**

RelyOn Nutec 360° Safety

Notes

Notes

Note 1.1 - Revenue

DKKm	Offshore Oil and gas	Renewable	Maritime	Industrial	30.03 - 31.12.2018
Americas	51	0	5	4	60
Asia	22	0	2	6	30
Europe	59	9	1	53	122
Middle East & Africa	31	0	0	5	36
Total	**163**	**9**	**8**	**68**	**248**

Accounting policy

The Group generates revenue from delivering of safety training services to its customers within the oil and gas, wind and maritime industry globally.

Revenue from providing services is recognized in the accounting period in which the services are rendered.

The activity is pay-per-use, and the payment terms for customers are 30-60 days, and invoicing is shortly after completion of courses.

If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized. A receivable is recognized when the receipt of payment is conditional on passage of time only.

Where another party is involved in providing the services to the customer, the Group assesses on a contract by contract basis, whether the Group is acting as a principal or as an agent. The Group is acting as a principal when the nature of its promise is a performance obligation to provide the specified services itself. On the contrary the Group is acting as an agent when it is arranging for the services to be provided by the other party.

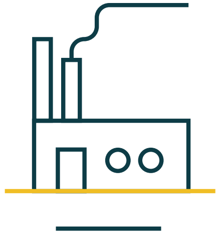
When the Group obtains control over the specified service before it is transferred to the customer, it is a principal and thus recognizes revenue on a gross basis. When the Group is acting as an agent, the commission rather than the gross income is recognized as revenue.

Offshore Oil & Gas

Everything from basic safety courses to high-level crisis management and contingency plans for entire organisations. The ideal combination of global consistency and local flexibility.

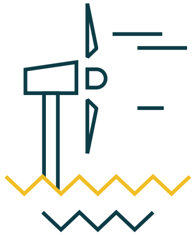
Maritime

We have trained personnel from the maritime industry for over 30 years. Including the management of passenger safety in the cruise sector.



Industrial

A wide range of training and competency solutions for construction, engineering, manufacturing, aerospace and aviation, food and drink, and defence.



Renewables

Practical and realistic safety training designed specifically for the renewables sector. Dedicated facilities including wind turbine training towers and boat transfer simulators.

RelyOn Nutec 360° Safety

Notes

	30.03 - 31.12.2018 DKKm
Note 1.2 – Staff costs	
Wages and salaries	88
Pensions, defined contribution plans	4
Other social security costs	8
Other staff costs	13
Total	**113**
Average number of full-time employees	1,043

Key Management Compensation
Key Management consists of Board of Directors and Group Management Team. The compensation paid or payable is shown below:

Executive Board and Board of Directors	1
Other key management personnel	1
Total	**2**
Wages and salaries	2
Pensions	0
Total	**2**

Accounting policy
Employee costs comprise wages and salaries as well as expenses for payroll and pensions.

Supplementary information
Pursuant to § 98B.3 of the Danish Financial Statements Act the remuneration to the Executive Board has not been disclosed separately

	30.03 - 31.12.2018 DKKm
Note 1.3 - Amortization, depreciation and impairment losses	
Depreciation on property, plant and equipment, cf. note 2.2	(11)
Amortisation, cf. note 2.1	(2)
Total	**(13)**
Note 1.4 - Special items	
Transactions costs	(27)
Restructuring costs	(9)
Total	**(36)**

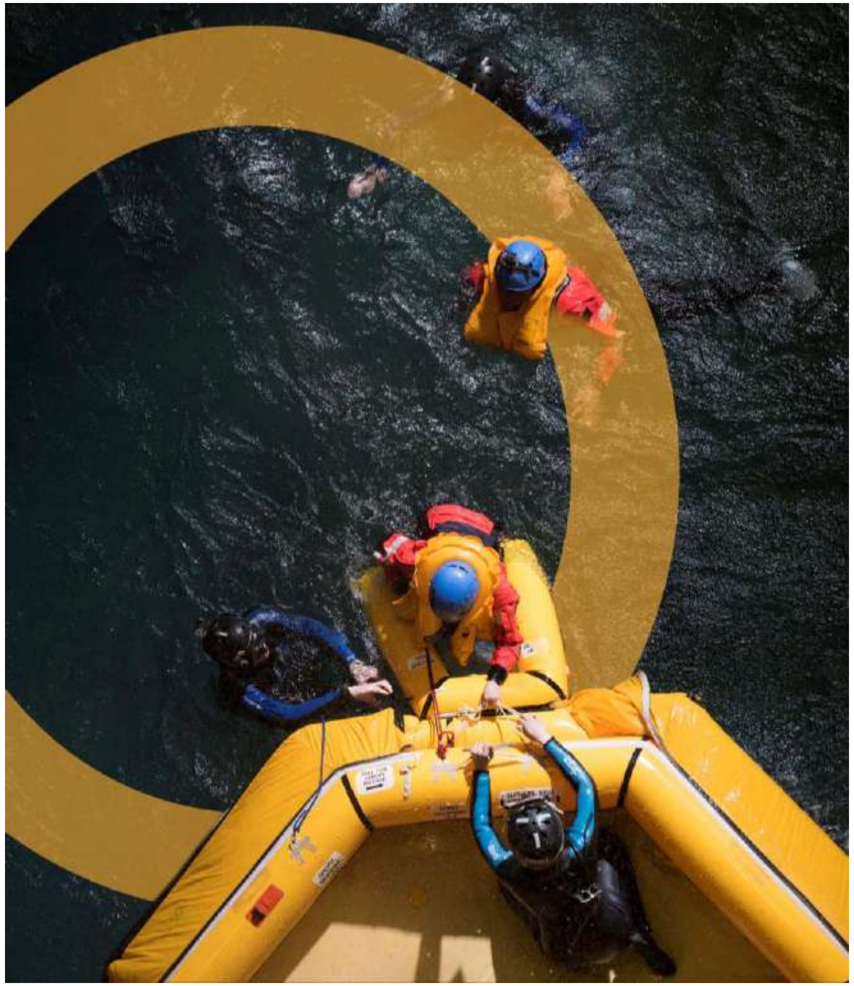
Accounting policy
Special items consist of non-recurring income and expenses that the Group does not consider to be part of its ordinary operations such as restructuring projects. The use of special items entails Management judgement in the separation from the ordinary operations of the Group. When using special items, it is essential that these constitute items that cannot be attributed directly to the Group's ordinary operating activities.

Notes

	30.03 - 31.12.2018 DKKm
Note 1.5 - Financial income	
Exchange rate gain	4
Total	**4**
Note 1.6 - Financial expenses	
Bond interest (amortized cost)	(7)
Other financial expenses	(3)
Total	**(10)**

Accounting policy

Financial income and expenses represent interest income and interest expense, realized and unrealized exchange rate gains and losses and amortization related to financial assets and liabilities. Dividends to capital holders who have received put options in connection with business combinations are recognized as a financial expense in cases where the option price is independent of dividend payments. Financials are recognized at the amounts related to the year.



RelyOn Nutec 360° Safety

Notes

	30.03 - 31.12.2018 DKKm
Note 1.7 - Tax on profit for the period	
Current tax:	
Current tax on profits for the period	(1)
Deferred tax on profit for the period	2
Total	**1**
Tax for the period has been recognized as follows:	
Tax on profit for the period	1
Total	**1**
Calculated 22.0% tax on profit for the period before income tax	**4**
Tax effects of:	
Non-taxable income	5
Non-deductible expenses	(7)
Deferred tax adjustment	(3)
Difference in foreign tax rates	2
Total	**1**
Effective tax rate	**5%**

Accounting policy

BidCo RelyOn Nutec A/S and the Group's Danish subsidiaries are jointly taxed. Danish corporation tax is allocated among the jointly taxed companies according to the taxable income of these companies. Income tax for the year, consisting of current tax for the year and changes in deferred tax, is recognized in profit for the year with respect to the part that can be attributed to profit for the year and in other comprehensive income with respect to the part that can be attributed to other comprehensive income or directly to equity.

Corporation tax payables include corporation taxes made up on the basis of estimated taxable income for the financial year and prior-year adjustments.

Deferred tax is calculated according to the balance sheet liability method and is based on all timing differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is not recognized on goodwill that is not tax deductible, and deferred tax is not recognized on undistributed profits in subsidiaries and timing differences that arose at the time of recognition in the balance sheet other than for acquisitions, if such differences will not affect profit or taxable income. When alternative tax rules can be applied to determine the tax base, deferred tax is measured based on planned use of the asset or settlement of the liability respectively.

Deferred tax assets, including the tax base of tax losses carried forward, are recognized under other non-current assets at the expected value of their utilization, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Deferred tax assets and liabilities are offset within the same legal tax entity or jurisdiction. Deferred tax assets are measured at the value at which they are expected to be realized. Deferred tax is measured using the tax rate expected to apply when timing differences are reversed. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement.

Notes

Note 2.1 - Intangible assets

DKKm	Goodwill	Brands	Customer contracts	Knowhow	Other intangible assets	Total
Cost:						
At 30.03.2018	0	0	0	0	0	0
Acquisition of business, cf. note 4.2	136	55	63	27	6	287
Additions	0	0	0	0	2	2
At 31.12.2018	**136**	**55**	**63**	**27**	**8**	**289**
Accumulated amortisation and impairment:						
At 30.03.2018	0	0	0	0	0	0
Amortisation for the period	0	0	(2)	(0)	0	(2)
Exchange rates	0	0	(1)	(0)	0	(1)
At 31.12.2018	**0**	**0**	**(3)**	**(0)**	**0**	**(3)**
Carrying amount 31.12.2018	**136**	**55**	**60**	**27**	**8**	**286**
Remaining expected economic lifetime	Indefinite	Indefinite	10 years	10 years	3 -5 years	

Supplementary information

Brand includes active brands within RelyOn Nutec Group; RelyOn Nutec, Aberdeen Drilling School and MSTS. Nutec is our heritage. Nutec is dated back to 2004 and it is a symbol for safety training in multiple parts of the world. Aberdeen Drilling School is a world known-brand to deliver well-control training. MSTS is the local brand in the Asian region, which is associated with high quality safety training. Nutec is the only material brand, which carrying amount is DKKm 38.

Knowhow includes the knowledge for obtaining business critical certificates, such as OPITO, GWO, ISO etc.

Accounting policy

Goodwill

Goodwill is recognized in the balance sheet at cost on initial recognition as described under "Business combinations", note 4.2. Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill is not amortized, but is tested for impairment at least once a year.

On initial recognition, goodwill is allocated to those of the Group's activities that generate separate cash flows (cash-generating units). The determination of cash-generating units is based on the Group's management structure and internal financial management and reporting.

Brands

Brands acquired in a business combination are recognized at fair value at the acquisition date. They have an indefinite useful life and are subsequently carried at cost less accumulated impairment losses.

Customer contracts and knowhow

Customer contracts and knowhow acquired in a business combination are recognized at fair value at the acquisition date. Knowhow are based on obtaining business required certificates to perform the operation. They have an finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. Intangible assets acquired on acquisitions are amortized over the expected economic life, estimated to be 10 years.

Other intangible assets

Other intangible assets include software etc. Other intangible assets are measured at cost including costs which can be directly or indirectly attributed to the assets in question less accumulated impairment and amortization are amortized on a straight-line basis over the expected economic life, estimated to be 3 to 5 years.

Notes

Accounting policy
Each year, the assets are reviewed in order to assess whether there are indications of impairment. If such indications exist, the recoverable amount, determined as the higher amount of the fair value of the asset adjusted for expected costs to sell and the value in use of the asset, is calculated. The value in use is calculated based on the estimated future cash flows, discounted by using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or its cash-generating unit is lower than the carrying amount, an impairment charge is recognized in respect of the asset. The impairment loss is recognized in the income statement. In addition, for goodwill and other intangible assets with indefinite useful lives, impairment tests are performed at each balance sheet date, regardless of whether there are any indications of impairment. For acquisitions, the first impairment test is performed before the end of the year of acquisition.

In addition, for goodwill and brands with indefinite useful lives, impairment tests are performed at each balance sheet date, regardless of whether there are any indications of impairment. For acquisitions, the first impairment test is performed before the end of the year of acquisition.

Impairment losses are reversed if the recoverable amount increases. Impairment losses will only be reversed to the extent that the value in use does not exceed the carrying amount of the asset if the impairment loss had never been charged. Impairment losses on goodwill are not reversed.

Impairment test
Goodwill and Brands are monitored by management at the CGU level. As of 31 December 2018, allocation of goodwill by CGU is preliminary. Goodwill and brands are preliminarily allocated to CGU's, as per below.

CGU	Carrying amount Goodwill	 Brand	 Total
Asia	43	24	67
Americans	44	12	58
Europe	40	17	57
Middle East & Africa	9	2	11
Total	**136**	**55**	**191**

Due to the short period between the acquisition date and the balance sheet date, management has determined the recoverable amount as fair value less costs to sell by considering the key assumptions underlying the transaction price and changes, if any changes to these assumptions during the ownership period.

Fair value less costs to sell is determined on the basis of a discounted cash flow model. In the calculation future free net cash flow is estimated based on budgets and financial forecasts reflecting expectations as of the acquisition date adjusted for changes, if any, during the ownership period. Cash flows comprise a four year forecast period and a terminal value. The key parameters in determining expected cash flows costs to sell are revenue, EBITDA margin and, capital expenditure. The revenue growth rate in the forecast period is between 5% and 9%, and the EBITDA margin is expected to be constant over the period. Annual Investments are expected to amount to 3-7% of revenue.

The post tax discount rate applied is 11.9% and the growth rate in the terminal period is 1.5%

Fair value is determined on the basis of unobservable input (level 3)

Critical accounting estimates
Goodwill and Brands have a indefinite lifetime since there is no foreseeable limit to the period over which Goodwill and Brands are expected to generate net cash inflows. The group tests whether goodwill has suffered any impairment on an annual basis. For the 2018 reporting period, the recoverable amount of the cash generating units (CGUs) was determined based on fair value less costs to sell which require the use of assumptions. The calculations use cash flow projections for multiple years with extrapolation beyond the forecast period using the estimated growth rates.

Factors that played a significant role in the determining that brands have an indefinite useful lifetime; 1) brands have existed in decades, 2) the strategy is based on the brands, and 3) the brands have a low maintenance costs attached.

Notes

Note 2.2 - Property, plant and equipment

DKKm	Land and buildings	Equipment	Leasehold improvement	Assets under construction	Total
Cost:					
At 30.03.2018	0	0	0	0	0
Acquisition of business	163	123	32	51	369
Additions	12	5	1	2	20
Transferred	38	0	0	(38)	0
Disposals	(5)	(8)	0	0	(13)
Exchange difference	0	(2)	(1)	2	(1)
At 31.12.2018	**208**	**118**	**32**	**17**	**375**
Accumulated depreciation and impairment:					
At 30.03.2018	0	0	0	0	0
Depreciation for the period	(3)	(7)	(1)	0	(11)
Impairment for the period	0	0	0	0	0
Reversals regarding disposals	0	8	0	0	8
Exchange difference	0	(2)	(1)	0	(3)
At 31.12.2018	**(3)**	**(1)**	**(2)**	**0**	**(6)**
Carrying amount 31.12.2018	**205**	**117**	**30**	**17**	**369**
Of which relates to finance leases, cf. note 4.4	12	15	4	0	31

Supplementary information
Committed CAPEX on December 31, 2018 are related to completion of the new facility in Asia, total DKKm 2

Accounting policy
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes direct costs related to the asset and the initial estimate of the costs related to dismantling and removing the item and restoring the site on which it is located, if the costs meet the definition of a liability. Cost further includes borrowing costs from specific and general borrowings directly relating to the acquisition, construction or development of the individual qualifying asset during the period that is required to complete and prepare the asset for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

Depreciations are calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives, as follows:

Land and buildings	25 - 30 years
Equipment	3 - 10 years
Leasehold improvements	Term of lease
Land	Not depreciated

The residual value and useful life is determined at the date of acquisition and revalued each year. Where the residual value exceeds the carrying amount, the asset ceases to be depreciated.

Gains and losses on the disposal or scrapping of property, plant and equipment are determined as the difference between the sales price less dismantling, selling and re-establishing costs and the carrying amount. Gains and losses are recognized in the income statement as other operating income and external expenses, respectively.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life, as described above, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Each year, the assets are reviews in order to assess, whether there are any indicators of impairment, cf. note 2.1

Notes

Note 2.3 – Deferred tax asset	2018 DKKm
Deferred tax at 30.03.2018	0
Acquisition of business, cf. note 4.2	14
Deferred tax reccognised in the income statement	(1)
Deferred tax at 31.12.2018	**13**
Deferred tax relates to:	
Intangible assets	8
Tax loss carry forward	5
Total	**13**

Supplement information

The Group has unrecognized tax losses to carry forward, total DKKm 46. The Group is of the opinion, that utilization within 3-5 years is not possible. There is no expire on the tax losses to carry forward. Further, there are unrecognized deferred tax assets related to property, plant and equipment, and trade receivable, total DKKm 12.

Note 2.4 - Trade receivable and contract assets

The Group has recognized the following assets related to contracts with customers	Trade receivable	Contracts assets
Balance as of 30.03.2018	0	0
Balance as of 31.12.2018	162	19
Total at 31 December	164	20
Expected credit loss	(2)	(1)
Total net	**162**	**19**

Supplementary information

The increase in balances of receivables and contracts assets are primarily related to business combinations, which increased trade receivables with DKKm 143 and contracts assets DKKm 24. Please refer to note 4.2 for further information.

Accounting policy

On initial recognition, receivables are measured at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost.

Trade receivables and contract assets are written down for expected credit losses. The Group applies the simplified approach in IFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets. The Group's impairment policies are further described in note 3.3. A write-down is recognized in other external costs.

Notes

Critical Accounting Estimate

To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a 12 month period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information affecting the ability of the customers to settle the receivables.

DKKm	Expected loss rate	Gross carrying amount, trade receivables	Expected credit loss	Net
Contracts assets	5%	20	(1)	19
Not due	1%	71	(1)	70
More than 1 day past due	2%	45	(1)	44
More than 30 days past due	0%	23	(0)	23
More than 60 days past due	0%	9	0	9
More than 90 days past due	0%	16	0	16
Total		**184**	**(3)**	**181**

Opening balances of loss allowance	0
Expected credit loss during the year	(3)
Expected credit loss allowance at 31 December 2018	**(3)**

Supplementary information

As described in note 4.2, the trade receivables acquired as part of the business combination were recognized by the Group at their fair value of DKKm 167, net of an amount of DKKm 26 which were expected to be uncollectible. Accordingly, the remaining balances of the trade receivables originating from the acquisition of business are included in the gross carrying amount in the table above by their acquisition date fair value.

Note 2.5 - Share capital

The share capital comprise:	Number of shares	Nominal value DKKm
Share capital 30.03.2018	500,000	0
Capital increase 19.09.2018	1,651,925	2
Capital increase 09.10.2018	170,000	0
Share capital 31.12.2018	**2,321,925**	2

Supplementary information

All shares have nominal value of DKK 1.
All shares have the same rights, preferences and restrictions.
All shares are fully paid up.

Notes

Note 3.1 - Financial risk management

Financial risk factors
As part of a global operation, the Group is exposed to cash flow in multiple different currencies. The Group has adopted an expected credit loss model to calculate credit exposure relating to trade receivable. Liquidity risk arises from the financing facility for the Group. Financing facilities are in EUR, which are based on 3M Euribor rate.

Note 3.2 - Market risk
The Group is exposed to foreign exchange risk. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments. In addition, government and monetary authorities may impose exchange controls that could adversely affect an applicable currency exchange rate. The risk arises as per change in exchange rates.

The objective is to minimize impact from change in exchange rates:

- Natural hedges (income and expenses in same currency) minimize the impact in the profit and loss.
- The majority of the current cash position is within low risk foreign currency; GBP, MYR, EUR, TTD and USD.
- The Bond and credit facility are in EURO.

Sensitivity
As describe above, the Group is primarily exposed to changes in GBP, MYR, NOK, TTD and USD exchange rates. The sensitivity – as per below - to reasonably possible changes in the exchange rates and impact in profit and loss and equity. Impact on profit after tax, trade receivable, cash and trade payables are based on change to exchange rates applied in the Group. The following rates have been applied:

	- 10 %	Year-end rates	+ 10 %
DKK / GBP	744.5	827.2	909.9
DKK / MYR	141.3	157.0	172.7
DKK / NOK	67.4	74.9	82.4
DKK / USD	586.7	651.9	717.1
DKK / TTD	86.3	95.9	105.4

	Impact on Equity		Impact on total assets or total liabilities					
	Profit after tax		Trade receivable		Cash		Trade payable	
DKKm	-10%	10%	-10%	10%	-10%	10%	-10%	10%
DKK / GBP	0	1	-2	2	-1	1	-1	1
DKK / MYR	-1	2	-2	2	-2	2	0	0
DKK / NOK	1	0	-1	1	0	0	0	0
DKK / USD	1	0	-2	2	0	0	0	0
DKK / TTD	0	3	-1	1	-3	3	0	0

Interest rate risk
Interest rates on Bonds and credit facility depends on several factors, one of the most significant over time being the level of market interest. The interest rate on the Bonds is based on the 3M Euribor rate.

Sensitivity
The sensitivity of profit or loss is based on changes in in the interest rates.

	Profit after tax / Equity	
DKKm	**- 0.5%**	**+ 0.5%**
Change in 3M Euribor	2	-2

Senisitivity analysis are based on annual interest expenses.

The Group is not using hedging instrument to mitigate the risk.

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Notes

Note 3.3 - Credit risk

In accordance with IFRS 9, the Group is to recognize a loss allowance for expected credit loss ("ECL") on its trade receivables.

The ECL for the Groups "private and commercial" customers and "major oil companies or public companies" customers is estimated separately in the model due to differences in the credit characteristics of these customer segments. Expected credit losses are estimated on customers categoried as "private and commercial". Based on experience, actual credit losses for customers categorized as "major oil companies or public companies" are limited.

The impairment model is based on a roll rate method. The roll rate method is derived from the provision matrix described in IFRS 9 as a historical credit loss matrix based on number of days a trade receivable is overdue.

Probability of default ("PD") is based on historical roll rate for each category and based on Moody's' country-specific PDs.

Loss Given Default is estimated using a loss ratio calculated as the incurred loss divided by the outstanding balance of trade receivables.

The risk in monitored local, and global follow-up as per development in outstanding.

For further information about the Group's credit loss allowance, refer to note 2.4.

Note 3.4 - Liquidity risk

The Group has Bond facility available with a maximum of DKKm 745. The Bond is expected to be listed on the Norwegian Stock Exchange during 2019. The interest is based on 3M Euribor rate plus a margin. The bond facility expire in 2023.

The Group has credit facility facility available with a maximum of DKKm 42 for financing of working capital. The interest is based on 3M Euribor rate plus a margin. Drawings on the credit facility expire less than one year.

Maturity analysis
The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows incl. interest payments calculated under current conditions.

DKKm	Less than 1 year	Between 1 and 5 year	More than 5 years	Total	Net book value
As at 31.12.2018					
Bond	24	94	354	472	326
Credit facility	12	0	0	12	12
Deferred consideration	50	0	0	50	50
Trade payables	93	0	0	93	93
Finance lease liabilities	5	19	25	49	39
Total	**184**	**113**	**379**	**676**	**515**

Financial assets and liabilities per measurement category

Financial assets	
Financial assets at amortized cost:	
Trade receivables	162
Contract assets	19
Prepayments	18
Other receivable	24
Cash and cash equivalents	106
Total	**329**
Financial liabilities	
Liabilities at amortised cost:	
Bond	326
Trade payables	93
Bank loans	12
Deferred consideration	50
Finance lease liabilities	39
Total	520
Liabilities at fair value	
Contingent consideration, non-controlling interest (part of other liabilities in the balance sheet)	8
Total	**528**

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Notes

Note 3.6 - Measurement and fair value hierarchy

Financial instruments measured at fair value are shown in accordance with the following accounting hierarchy:
- Level 1; Observable market prices of identical instruments.
- Level 2; Valuation models primarily based on observable prices or trading prices of comparable instruments.
- Level 3; Valuation models primarily based on non-observable prices.

	Carrying Amount	Fair value Level 1	Fair value Level 2	Fair value Level 3
Fair value:				
Contingent consideration	8	0	0	8
Amortised cost:				
Finance lease	39	0	49	0
Bond	326	0	0	336
Total	**373**	**0**	**49**	**344**

Supplementary information

The fair value of contingent considerations to non-controlling interests amounts to DKKm 8 at 31 December 2018. The fair value of the contingent consideration is determined as the present value of the EBITDA multiple less net debt. Significant unobservable inputs include assumptions about the expected development in EBITDA and the discount rate. The estimated fair value will increase, if the expected EBITDA increases or if the present value is based on a lower discount rate. Contingent consideration is based on current EBITDA and expected EBITDA until date of utilization. Management does not expect a reasonable possible change in one or more of the significant unobservable inputs will have a material impact of the estimated fair value.

As the bond was recently issued in September 2018 and carries a variable interest rate, the fair value of the bond has been assessed to approximate the principal amount of DKKm 336. The bond is classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk, which has been reassessed at year-end.

Finance lease is calculated according to minimum lease payment and interest rates. Changes in the interest rates will not have a significant impact.

The fair value of other financial instruments is approximately equal to the carrying amounts due to short maturity.

Note 3.7 - Changes in liabilities arising from financing activities

			Non-cash changes		
DKKm	30.03.2018	Cash	Acquisitions	Other	31.12.2018
Current interest bearing debt	0	12	0	0	12
Non-current interest bearing debt	0	336	0	(10)	326
Finance lease liabilities	0	0	39	0	39
Total liabilities from financing activities	**0**	**348**	**39**	**(10)**	**377**

Other includes amortized loans cost and accrued interest.

Note 3.8 - Capital management

The Group's objectives when managing capital are to;

- Safeguarding the ability to continue as a going concern, so entities can continue to provide returns for shareholders and benefits for other stakeholders,
- Maintain an optimal capital structure on a global scale,
- Cash pool is used within some areas to optimize cash position,
- Cash flow forecasting on a bi-weekly frequency.

As part of the bond, the Group have to comply with the following covenants:

- LTM EBITDA / NIDB < 4,5
- Finance lease < DKKm 11

One lease contract have change from operational lease liability to finance lease liability as part the purchase price allocation. The contract origin back to 2014 and were present at the time of completion of the term of condition. Beside it, the Group are in compliance with the covenants.

Notes

Note 4.1 - Fee to auditors appointed at the general meeting

	30.03 - 31.12.2018 DKKm
Audit fee to PwC	2
Other assurance engagements	0
Tax advisory services	0
Non-audit services	4
Total	**6**

Note 4.2 - Business combination

On 20 September 2018, the parent company acquired the entire share capital of RelyOn Nutec Holding A/S, former known as Falck Safety Services Holding A/S, which operates in the business of safety training services to the oil and gas, wind and maritime industry globally, and other related business.

Details of the purchase consideration, the net asset acquired and goodwill are described below. Purchase price allocations are preliminary, however the Management does not expect any changes.

Purchase consideration:	DKKm
Cash paid for shares and deferred consideration including group contribution	116
Settlement of acquires debt to seller	448
Deferred consideration	50
Total purchase consideration	**614**

The assets and liabilities recognized as a result of the acquisition are as follows:	Fair value DKKm
Cash	126
Trade receivables	143
Contracts assets	24
Tangible assets: Property, plant and equipment	369
Intangible assets: customer contracts	63
Intangible assets: brand	55
Intangible assets: knowhow	27
Intangible assets: other	6
Deferred tax assets	14
Other assets	52
Trade payables	(118)
Onerous contracts	(83)
Finance lease	(40)
Other liabilities	(131)
Net identifiable assets acquired	**507**
Non-controlling interests	(29)
Goodwill	136
Net assets acquired	**614**

Notes

The Group has elected to measure non-controlling interests in the RelyOn Nutec Group at its proportionate share of the net assets acquired. The goodwill amounting to DKKm 136 is attributable to workforce etc. It will not be deducted for tax purposes. The fair value of acquired trade receivables is DKKm 167. The gross contractual amount for trade receivables due is DKKm 193, of which DKKm 26 is expected to be uncollectable.

The acquired RelyOn Nutec business contributed revenues of DKKm 248 and net profit of DKKm (19). If the acquisition had occurred on 30 March 2018, consolidated pro-forma revenue and profit for the year ended 31 December 2018 would have been DKKm 620 and DKKm (12), respectively.

Cash flow on acquisition

Outflow of cash to acquire RelyOn Nutec	DKKm
Cash consideration	91
Settlement of acquires debt to seller	448
Less cash acquired	-126
Net outflow of cash - investing activities	413

Acquisition-related costs of DKKm 27 have been recognized in the income statement within special items.

Note 4.3 - Provisions

The movement in each class of provision during the year is set out below:

DKKm	Onerous contracts	Refurbishment provision	Other provisions	Total
At 30.03.2018	0	0	0	0
Acqusition of business	83	20	5	108
Change during the period	(3)	0	(1)	(4)
At 31.12.2018	**80**	**20**	**4**	**104**

Accounting policy

Provisions are recognized when, as a consequence of an event occurring before or on the balance sheet date, the Group has a legal or constructive obligation and it is probable that an outflow of resources will be required to settle the obligation. The amount recognized as a provision is Management's best estimate of the present value of expenses required to settle the obligation.

Provisions for restructuring are recognized when a detailed, formal plan for the restructuring has been made before or on the balance sheet date and has been announced to the parties involved.

Provisions for retained risks related to occupational injuries are recognized at the time of the claim and include an estimate of claims incurred but not reported based on actuarial calculations.

A provision for onerous contracts is made when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Supplementary information

Provision for refurbishment obligation are related to clean up on the facilities within the Group. Refurbishment provision will be an obligation prior relocation. Relocation is not highly likely, hence all provisions are non-current. Onerous contracts expire within 0 - 15 years.

Notes

Note 4.4 - Leases

Commitments related to finance leases as of 31 December 2018 are payable as follows:

The fair value of lease liabilities are determined by discounting the future cash flows using a current borrowing rate.

DKKm	Minimum lease payment	Present value of minimum lease payments
Within one year	5	3
Later than one year but not later than five years	19	15
Later than five years	25	21
Total	**49**	**39**
Future finance charges	(10)	
Present value of minimum lease payments	**39**	

Accounting policy

For financial reporting purposes, lease liabilities are classified as either finance or operating lease liabilities.

Leases are classified as finance leases when substantially all risks and rewards of ownership of the leased assets are transferred to the Group. Other leases are classified as operating leases.

The accounting treatment of assets held under finance leases and the related liability is described in the sections on property, plant and equipment and financial liabilities respectively.

Assets held under operating leases are not recognized in the balance sheet. Lease liabilities under operating leases are disclosed as contingent liabilities. Lease payments concerning operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

Supplement information

The Group leases some equipment globally and a facility in Norway, which are classified as finance leases.

Minimum lease payments on the Group's operating lease obligations amount to:	30.03 - 31.12.2018 DKKm
Less than 1 year	66
1 to 5 years	119
More than 5 years	151
Total	**330**

Supplementary information

The Group leases property, plant and equipment under non-cancellable operating leases expiring within 1 to 25 years. The leases have varying terms, escalation clauses and renewal rights.

During the period, the Group has recognized operating lease expenses amounting to DKKm 21 in the income statement within other external costs.

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Notes

Note 4.5 - Cash flow specification

	31.12.2018 DKKm
Change in trade receivables	(26)
Change in contract assets	12
Change in prepaid expenses	1
Change in trade payables	20
Change in other receivables	6
Change in other operating liabilities	(1)
Total	**12**

Accounting policy
Cash and cash equivalents comprise cash at bank and in hand.

Supplementary information
Some of the cash and cash equivalents are not available for general use to other Group entities within the Group, total DKKm 26 on Trinidad & Tobago.

Note 4.6 - Related parties

The Group is controlled by the following entities:

Immediate parent entity:	P-Holding RelyOn Nutec A/S
Ultimate parent entity and controlling party:	Polaris Private Equity IV K/S

Note 4.9 includes information about the Group's structure and the Group's related parties. Information about management's remuneration has been disclosed in note 1.2.

The following transactions occurred with the immediate other related parties:

- Capital increase, DKKm 276
- Group contribution, DKKm 25

The ultimate parent entity, Polaris Private Equity IV K/S, have paid for some of the transactions cost, total DKKm 1. There are no balance on 31 December 2018.

Note 4.7 - Commitments and contingent liabilities

Joint taxation scheme
The Danish Group companies are jointly and severally liable for tax on the jointly taxed income etc. of the Group. The total amount of corporation tax payable by the Group is disclosed in the financial statements of P-RelyOn Nutec 2018 A/S, which is the management company of the joint taxation. The Danish companies are jointly and severally liable for the joint taxation liability. The joint taxation liability covers income taxes and withholding taxes on dividends, royalties and interest.

Contingent liabilities and guaranties
As part of the bond agreement, share pledges have been issued.

The Group has guaranties related to the operation, of which non of the guaranties are material.

Claims have been made against the Group, primarily concerning construction of a facility, etc. The Group and its legal advisors consider the claims unjustified and do not perceive that the Group will incur any losses as a result of the actions for damages.

Note 4.8 - Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Notes

Note 4.9 – Group companies

Country	Legal name	Equity interest
Azerbaijan	Falck Caspian Safe LLC	100%
Belgium	RelyOn Nutec Belgium BVBA	100%
Brazil	Falck Nutec Brasil Participacoes Ltda	100%
Brazil	RelyOn Nutec Brasil Participacoes Ltda	100%
Canada	Falck Safety Services Canada Incorporated	68%
Canada	Falck Safety Services Canada (NL) Incorporated	68%
Canada	Falck Safety Services Canada (LA) Incorporated	68%
Denmark	Bidco RelyOn Nutec A/S	100%
Denmark	RelyOn Nutec Holding A/S	100%
Denmark	RelyOn Nutec Denmark A/S	100%
Malaysia	MSTS Asia Sdn. Bhd.	60%
Malaysia	Risktec (M) Sdn. Bhd.	60%
Malaysia	Falck Bestari Healthcare Sdn Bhd	60%
Malaysia	Falck Nutec Malaysia Sdn. Bhd.	60%
Malaysia	Aberdeen Drilling International (Malaysia) SDN BHD	100%
Mexico	Falck Holding de México, S.A. de C.V.	100%
Mexico	Falck Safety Services de México, S.A.P.I. de C.V.	60%
Nigeria	Falck Safety Services Nigeria Limited *	49%
Nigeria	Falck Prime Atlantic Limited *	49%

Country	Legal name	Equity interest
Norway	RelyOn Nutec Norway AS	100%
Oman	Aberdeen Drilling International Co. LLC	70%
Qatar	Falck Safety Services LLC *	49%
Singapore	MSTS Asia (S'pore) Pte. Ltd.	100%
Thailand	Southfield Ltd *	49%
Thailand	Falck Nutec (Thailand) Ltd	65%
The Netherlands	Falck Global Safety B.V.	100%
The Netherlands	Falck B.V.	100%
The Netherlands	RelyOn Nutec Netherlands B.V.	100%
Trinidad & Tobago	Falck Safety Services Limited	100%
Trinidad & Tobago	Haztec Services Trinidad, Ltd.	100%
UAE	Falck Safety Services LLC *	49%
UAE	Aberdeen Drilling International Limited	100%
United Kingdom	Falck Nutec Ltd.	100%
United Kingdom	Aberdeen Drilling School Ltd	100%
USA	RelyOn Nutec USA Holdings, LLC	100%
USA	RelyOn Nutec Services, Inc.	100%
USA	RelyOn Nutec USA, LLC	100%
Vietnam	Falck Nutec Vietnam Limited	88%

* For these companies, the group holds an equity interest of less than 50%. However, due to rights arising from shareholders' agreements, the Group has determined that it has control of those companies, which are thus classified as subsidiaries and fully consolidated.

Notes

Note 5.1 – Basis of preparation
The activity of BidCo RelyOn Nutec A/S and group companies (the Group), consists of holding shares in subsidiaries and through the subsidiaries operate in the business of safety training services to the oil and gas, wind and maritime industry globally, and other related business.

The annual report has been prepared under the historical cost convention, except that derivatives and financial instruments are measured at fair value. The financial statements are presented in Danish Kroner (DKK), as this is the Company's functional currency. The financial statements have been rounded to the nearest million.

The annual report comprises the first financial year, ie 30 March – 31 December 2018.

Note 5.2 - Accounting policies
The consolidated financial statements for BidCo RelyOn Nutec A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C for large enterprises.

Adoption of new and amended standards
The IASB has issued a number of new or amended standards and interpretations effective for financial years beginning after 31 December 2018. Some of these have not yet been endorsed by the EU. Most relevant to the Group is the following:

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

At the commencement date of a lease, a lessee is required to recognize a liability to make lease payments over the lease term (i.e. the lease liability) and an asset representing the right-to-use the underlying asset during the lease term (i.e. the right-of-use asset). Interest expense on the lease liability and the depreciation expense on the right-of-use asset will be separately recognized.

Adopting IFRS 16
The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

Impact
The Group has reviewed its leasing arrangements in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

The Group leases include properties and various equipment, such as office equipment and cars. The portfolio of rental contracts are made for varying periods of years but may have extension options, which will be included in the lease term if the Group is reasonably certain to exercise the extension options.

As at the reporting date, the Group has non-cancellable operating lease commitments of DKK 330. The balance will be affected by "*rights of use assets*", total DKKm 330, and "*rights of use liabilities*", DKKm 330. Of these commitments, DKK 0 relate to short-term leases and low value leases which will be recognized on a straight-line basis as expense in profit or loss. Adjusted EBITDA is expected to increase by approximately by DKKm 66.

Basis of consolidation
The consolidated financial statements include the parent company, BidCo RelyOn Nutec A/S and its subsidiaries. Subsidiaries are entities that are controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

On consolidation, investments in subsidiaries, intra-group income and expenses, intra-group balances and dividends and realized and unrealized gains and losses on transactions between Group entities are eliminated. The line items of the financial statements of subsidiaries are fully consolidated in the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Business combination
Companies acquired or established during the financial year are recognized as from the date of acquisition or inception. The comparative figures are not restated to reflect companies acquired. Acquisitions of subsidiaries apply the acquisition method. Identifiable assets, liabilities and contingent liabilities of acquires are recognized at their fair value at the date of acquisition.

Identifiable intangible assets are recognized if they are separable or derive from a contractual right. Deferred tax on fair value adjustments is recognized.

The acquisition date is the date on which the Group obtains control of the acquire.

Notes

Any positive difference between the consideration and the value of non-controlling interests in the acquirer and the fair value of any previously held interests in the acquirer, on the one hand, and the fair value of the identifiable assets, liabilities and contingent liabilities, on the other hand, is recognized in the balance sheet as goodwill. Goodwill is not amortized, but is tested for impairment at least once a year. On acquisition, goodwill is allocated to the cash-generating units which will subsequently form the basis for future impairment tests.

Any negative difference is recognized in the income statement on the date of acquisition.

The consideration for an entity consists of the fair value of the agreed purchase price. For business combinations in which the agreement includes a provision on adjustment of the consideration conditional on future events, the fair value of this part of the consideration is recognized at the date of acquisition. Any changes in the fair value of the contingent consideration after initial recognition are recognized in the income statement. Put options issued to minority shareholders in connection with acquisitions for them to sell their remaining shares to the Group, the value of which is contingent on future events, will be recognized as part of the consideration at the date of acquisition. The put options issued are subsequently measured at the present value of the expected exercise price. Any changes in the value of the issued put options after initial recognition are recognized in equity. Acquisition costs and the interest element of discounting are recognized in the income statement.

If uncertainties regarding the measurement of acquired identifiable assets, liabilities, contingent liabilities or the consideration for the business combination exist at the acquisition date, initial recognition takes place on the basis of preliminary fair values. If identifiable assets, liabilities, contingent liabilities and the consideration for the business combination are subsequently determined to have had a different fair value at the acquisition date than first assumed, goodwill is adjusted until 12 months after the acquisition date. The effect of the adjustments is recognized in the opening equity, and the comparative figures are restated accordingly. Goodwill is not adjusted subsequently except in the event of material errors.

Non-controlling interests
Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

On initial recognition, non-controlling interests are measured either at fair value (including the fair value of goodwill related to non-controlling interests in the acquiree) or as non-controlling interests' proportionate share of the acquiree's identifiable assets, liabilities and contingent liabilities measured at fair value (excluding the fair value of goodwill related to non-controlling interests' share of the acquiree). The measurement basis for non-controlling interests is selected for each individual transaction.

When the Group assumes an obligation from a put option to acquire shares from a non-controlling interest a financial liability is recognized, which is measured at the present value of the expected redemption amount. Where the significant risks and rewards of the shares related to the put option have not transferred to the Group, the non-controlling interest remains being recognized. Otherwise, a corresponding entry is made against the Group's share of equity.

Foreign currency translation
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances
On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items in foreign currency are translated to the functional currency at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the date when the receivable or payable arose or the exchange rate applied in the most recent financial statements is recognized in the income statement under financial income or financial expenses.

On recognition in the consolidated financial statements of entities with a functional currency other than DKK, income and expenses for the statement of comprehensive income are translated at the exchange rates at the transaction date. Average exchange rates for the month are used as the exchange rate at the transaction date to the extent that this does not significantly change the presentation of the underlying transactions. Assets and liabilities are translated at the exchange rates at the closing rate of the balance sheet date. All resulting exchange differences are recognized in other comprehensive income, and classified in equity in a separate currency translation reserve.

Income Statement
Cost of sales and external assistance
Cost of sales and external assistance comprise expenses for related to course material and subcontractors.

Other external costs
Other external costs comprise marketing, external consultancy, facilities etc.

Other operating income and expenses
Other operating income and other expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes

Balance

Fair value

Fair value is the price that would be received when asset is sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The fair value of financial instruments that are not traded in an active market is determined using generally accepted valuation technics based on observable inputs from active markets. For financial liabilities where the fair value is disclosed, the fair value is estimated by discounting future contractual cash flows at the current market interest rate.

Financial liabilities

Financial liabilities primarily comprise of bonds, banks loans, trade payables and deferred considerations are initially recognised at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost.

Residual lease commitments from finance leases and other financial liabilities are recognised and subsequently measured at amortised cost.

Cashflow statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the operating profit before other items (EBITA) adjusted for changes in working capital and non-cash operating items such as depreciation, amortization and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long term debt as well as payments to and from shareholders.

Key figures

The financial ratios have been computed in accordance with the latest Guidelines issued by the Danish Finance Society.

Note 5.3 - Critical accounting estimates and judgements

In the preparation of the consolidated financial statements according to IFRS, Management is required to make certain estimates. Many financial statement items cannot be reliably measured, but must be based on estimations as the value of assets and liabilities often depends on future events that are somewhat uncertain.

The judgements, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

Critical accounting estimates

In connection with acquisitions, the identifiable net assets acquired from the seller are recognized at fair value. This includes an assessment of the value of e.g. customer relations and customer contracts. The valuation thereof is based on the ”Multi-Period Excess Earnings Method (MEEM method)” in which the value is calculated on the basis of an expected future cash flow. The principal assumptions are expected lives of the existing agreements and portfolios, earnings and contribution for using associated assets and employees.

Critical accounting estimes related to;

- Goodwill, cf. Note 2.1
- Business combination, cf. note 4.2

Parent Company Financial Statements 2018

Parent Company Financial Statements

Income statement

	Note	30.03 - 31.12.2018 DKKm
Revenue		1
Employee costs	1.1	(1)
Operating profit (EBIT)		**0**
Finance expenses		(9)
Profit/loss before tax		**(9)**
Income tax		2
Profit/loss for the year		**(7)**

Changes in equity

	Note	Share capital	Retained earnings	Total DKKm
Equity at 30.03.2018		**0**		**0**
Profit for the period			(7)	**(7)**
Group contribution			25	**25**
Capital increase		2	274	**276**
Equity at 31.12.2018	**2.2**	**2**	**292**	**294**

Parent Company Financial Statements

Balance sheet

	Notes	31 December 2018 DKKm
Investment in subsidiaries	2.1	155
Receivables from subsidiaries		464
Deferred tax asset		2
Total non-current assets		**621**
Cash and cash equivalents		0
Total current assets		**0**
Total assets		**621**

	Notes	31 December 2018 DKKm
Share capital	2.2	2
Retained earnings		292
Total equity		**294**
Bond	2.3	325
Total non-current liabilities		**325**
Trade payables		1
Debt to subsidiaries		1
Total current liabilities		**2**
Total liabilities		**327**
Total equity and liabilities		**621**

Notes

Notes

Note 1.1 - Staff costs	30.03 - 31.12.2018 DKKm
Wages and salaries	(1)
Pensions	(0)
Total	**(1)**
Average number of employees	2

Accounting policy
Employee costs comprise wages and salaries as well as expenses for payroll and pensions.

Supplementary information
Pursuant to § 98B.3 of the Danish Financial Statements Act the remuneration to the Executive Board has not been disclosed separately

Note 2.1 - Investment in subsidiaries	30.03 - 31.12.2018 DKKm
Cost:	
At 30.03.2018	0
Acquisition of business	140
Additions	15
At 31.12.2018	**155**
Accumulated impairment:	
At 30.03.2018	0
Impairment for the period	0
At 31.12.2018	**0**
Carrying amount 31.12.2018	**155**

Subsidiaries comprise:	
RelyOn Nutec Holding A/S	100%

Accounting policy
Investment in subsidiaries are measured at cost or at a lower recoverable amount. If indications of impairments are identified, an impairment test as described in the accounting policies for the consolidated financial statements is prepared. If the recoverable amount is lower than the carrying amount, the asset is written down to its lower recoverable amount.

Notes

Note 2.2 - Share capital

The share capital comprise:	Number of shares	Nominal value (DKK'000)
Share capital 30.03.2018	500,000	0
Capital increase 19.09.2018	1,651,925	2
Capital increase 09.10.2018	170,000	0
Share capital 31.12.2018	**2,321,925**	**2**

Note 2.3 – Bond

DKKm	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Bond	0	0	325	325
Total	**0**	**0**	**325**	**325**

Accounting policy
Financial liabilities primarily comprise bonds that are initially recognized at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortized cost.

Note 3.1 - Related parties

The Group is controlled by the following entities:

Immediate parent entity:	P-Holding RelyOn Nutec A/S
Ultimate parent entity and controlling party:	Polaris Private Equity IV K/S

Note 4.9 in consolidated financial statement includes information about the Group's structure and the Group's related parties. Information about management's remuneration has been disclosed in note 1.2 in consolidated financial statement.

All transactions with related parties have been carried out on arm's length terms.

The Company is included in the Consolidated Financial Statement of P-RelyOn Nutec 2018 A/S. The Consolidated Financial Statements can be obtained on the following addresses: Malmøgade 3, 2100 København Ø

Note 3.2 - Commitments and contingent liabilities

Joint taxation scheme
The Danish Group companies are jointly and severally liable for tax on the jointly taxed income etc. of the Group. The total amount of corporation tax payable by the Group is disclosed in the financial statements of P-RelyOn Nutec 2018 A/S, which is the management company of the joint taxation. The Danish companies are jointly and severally liable for the joint taxation liability. The joint taxation liability covers income taxes and withholding taxes on dividends, royalties and interest.

Contingent liabilities and guaranties
As part of the bond agreement, share pledges have been issued.

Note 3.3 - Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Notes

Note 4.1 – Basis of preparation
BidCo RelyOn Nutec A/S prepares the parent company financial statements in accordance with the Danish Financial Statements Act applying to enterprises of reporting class C.

The annual report has been prepared under the historical cost convention, except that derivatives and financial instruments are measured at fair value. The financial statements are presented in Danish Kroner (DKK), as this is the Company's functional currency. The financial statements have been rounded up/down to the nearest million.

The annual report comprises the first financial year, ie 30 March – 31 December 2018.

Note 4.2 - Accounting policies
Other accounting policies
With reference to the provisions of the Danish Financial Statements Act, the Company has refrained from both preparing a cash flow statement and presenting segment information in the parent company financial statements. For this information, see the consolidated financial statements for BidCo RelyOn Nutec A/S. Please see note 1 "Basis of preparation" in the consolidated financial statements for other accounting policies.

Income statement
Revenue
Income from the sale of services is recognized in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Financial income and expenses
Financial income and expenses represent interest income and interest expense, realized and unrealized capital gains and losses and amortization related to financial assets and liabilities.

Furthermore, realized and unrealized gains and losses on derivative financial instruments which cannot be classified as hedging arrangements are included.

Income tax and deferred tax
BidCo RelyOn Nutec A/S and the Group's Danish subsidiaries are jointly taxed. Danish corporation tax is allocated among the jointly taxed companies according to the taxable income of these companies. Income tax for the year, consisting of current tax for the year and changes in deferred tax, is recognized in profit for the year with respect to the part that can be attributed to profit for the year and in other comprehensive income with respect to the part that can be attributed to other comprehensive income or directly to equity.

Corporation tax payables include corporation taxes made up on the basis of estimated taxable income for the financial year and prior-year adjustments.

Deferred tax is calculated according to the balance sheet liability method and is based on all timing differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is not recognized on goodwill that is not tax deductible, and deferred tax is not recognized on undistributed profits in subsidiaries and timing differences that arose at the time of recognition in the balance sheet other than for acquisitions, if such differences will not affect profit or taxable income. When alternative tax rules can be applied to determine the tax base, deferred tax is measured based on planned use of the asset or settlement of the liability respectively.

Deferred tax assets, including the tax base of tax losses carried forward, are recognized under other non-current assets at the expected value of their utilization, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Deferred tax assets and liabilities are offset within the same legal tax entity or jurisdiction. Deferred tax assets are measured at the value at which they are expected to be realized. Deferred tax is measured using the tax rate expected to apply when timing differences are reversed. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement.

Balance
Receivables
Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand.

Statement of the Board of Directors and Executive Management

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of BidCo RelyOn Nutec A/S for the financial year 30 March – 31 December 2018.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. The Parent Company Financial Statements and Management Review have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position as of 31 December 2018 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 30 March - 31 December 2018.

In our opinion, the Management Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

Copenhagen, 20 March 2019

Executive Management

Torben Harring
Group CEO

Søren Strøm
Group CFO

Board of Directors

Jakob Thomasen
Chairman

Jesper Lok

Henrik Bonnerup

Independent Auditor's Report

To the Shareholder of BidCo RelyOn Nutec A/S

Opinion
In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position as of 31 December 2018 and of the results of the Group's operations and cash flows for the financial year 30 March to 31 December 2018 in accordance with the International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2018 and of the results of the Parent Company's operations for the financial year 30 March to 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BidCo RelyOn Nutec A/S for the financial year 30 March - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

Basis of 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 Group 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 any other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement of Management Review
Management is responsible for the Management 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 the Management Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, the Management Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management Review.

Management Responsibilities for the Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 of the Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Group or the Parent 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 Auditors Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

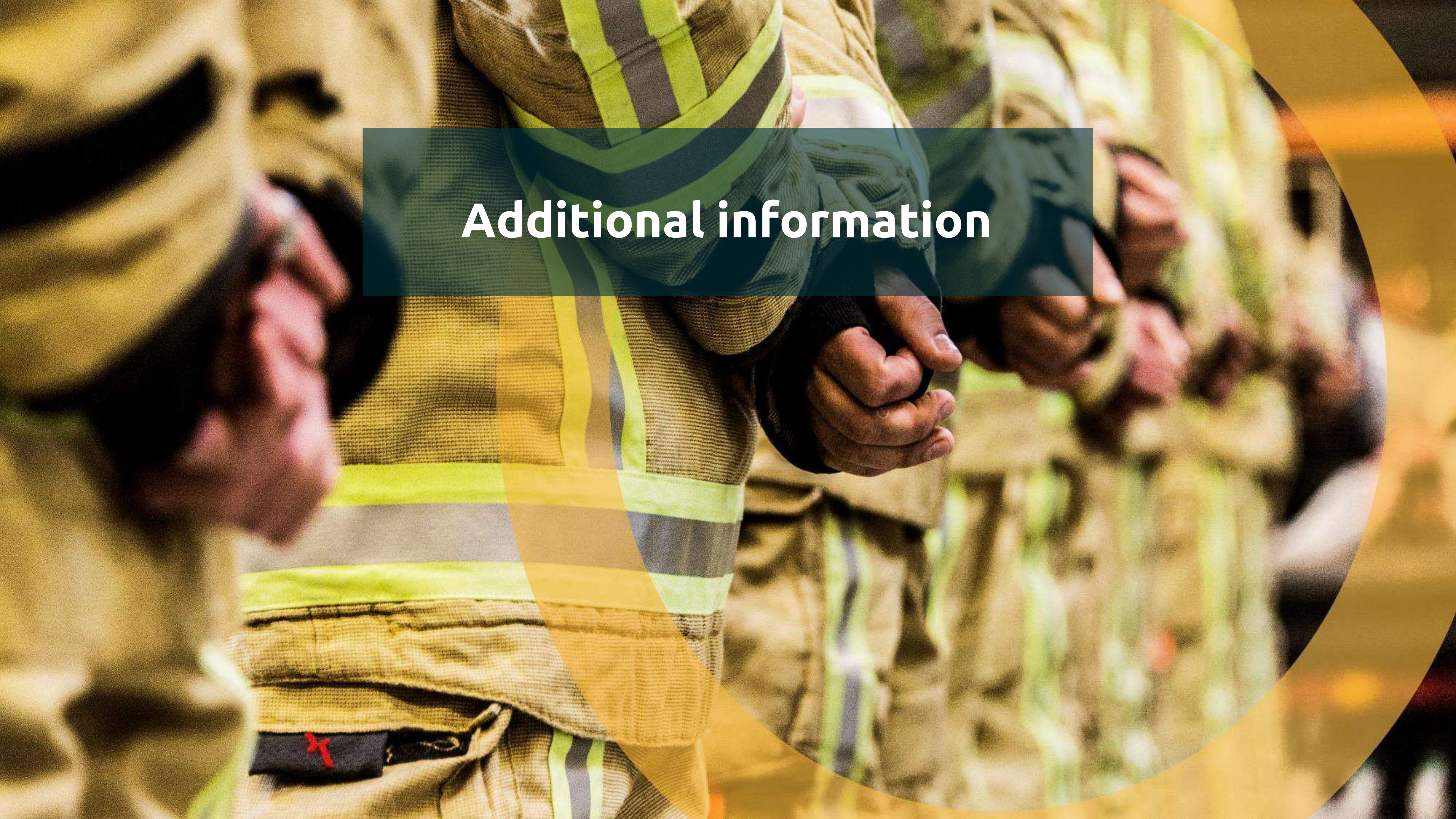
Copenhagen, 20 March 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Additional information



Company information

The company
BidCo RelyOn Nutec A/S
Kalvebod Brygge 45, 3rd floor
DK-1560 Copenhagen
Phone +45 76 12 13 14

CVR no. 39 46 78 36
Financial year 30.03.2018 - 31.12.2018
Established 30 March 2018
Municipality of headquarter; Copenhagen

Website: www.relyonnutec.com
E-mail: contact@relyonnutec.com

Board of directors
Jakob Thomasen, Chairman
Jesper Teddy Lok
Henrik Bonnerup

Executive Management
Torben Harring
Søren Strøm

Auditor
PriceWaterhouseCoopers
Statusautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark

Board of directors

	Jakob Bo Thomasen	Jesper Teddy Lok	Henrik Bonnerup
Position	Chairman	Board member	Board member
Other directorsships	DHI A/S ESVAGT A/S RelyOn Nutec Holding A/S	ALLIANCEPLUS HOLDING A/S Dagrofa ApS Global Maritime Forum Fonden Newsec Datea A/S RelyOn Nutec Holding A/S Santa Fe Group A/S Vestergaard Company A/S	Allianceplus Holding A/S Jetpak Top Holding AB RelyOn Nutec Holding A/S
Relevans skils	Experience with management of global, listed shipping and oil companies, strategy, investment, sale and purchase, financial issues and risk management	Experience with general management, shipping, financial and business insight	Experience with management, M&A, financial and strategy
Board member since	2018	2018	2018
Gender	Male	Male	Male
Nationality	Danish	Danish	Danish
Independence	Is regarded as independent	Is regarded as independent	Represents Polaris A/S and is not regarded as independent

Technical terms and abbreviations

A

Americas Comprise Brazil, Canada, Mexico, Trinidad & Tobago and USA

Asia Comprises Malaysia, Thailand and Singapore

C

CAPEX Investments in intangible assets and property, plant and equipment

CGU Cash Generating Units

CSR Corporate social responsibility

E

EBIT Earnings before interest and tax

EBITA Earnings before interest, tax and amortization

EBITDA Earnings before interest, tax, depreciation and amortization

Europe Comprises Belgium, Denmark, Germany, Netherlands, Norway and United Kingdom

F

FCPA Foreign Corrupt Practices Act

G

GWO The global industry standard in wind organization for safety, skills, and competence.

I

IAS International Accounting Standards

IFRS International Financial Reporting Standards

ILO International Labour Organization

ISO The International Organization for Standardization is an international standard-setting body composed of representatives from various national standards organizations.

M

Middle East & Africa Comprises Azerbaijan, Nigeria, UAE and Qatar

MSTS Malaysia Safety Training & Competence Services

N

NUTEC Norwegian Underwater Training Emergency Center

O

OPITO The global industry standard in oil and gas safety, skills, and competence. Setting industry standards for oil and gas training providers and courses.

R

Return on assets Ratio that shows the percentage of profit a company earns in relation to its overall resources

S

Solvency ratio Ratios used to measure the ability of a company to meet its long term debt

U

UK Bribery Act The UK Bribery Act 2010 establishes company liability for corrupt acts committed by persons acting on behalf of the company.

UN Global Compact The UN's social charter for enterprises, etc.

RelyOn Nutec
360° Safety

www.relyonnutec.com

BidCo RelyOn Nutec A/S
CVR-nr. 39 46 78 36
Kalvebod Brygge 45, 3rd floor
1560 Copenhagen

RelyOn Nutec Holding A/S

Kalvebod Brygge 45, 3, DK-1560 København V

Annual Report for 1 January - 31 December 2018

CVR No 19 95 13 83

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 20/03 2019

Andreas Ni

Chairman of the General Meeting

Contents

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of RelyOn Nutec Holding A/S for the financial year 1 January - 31 December 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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.

Copenhagen, 20 March 2019

Executive Board

Torben Harring
CEO

Søren Strøm
Executive Officer

Board of Directors

Jakob Bo Thomasen
Chairman

Henrik Bonnerup

Jesper Teddy Lok

Independent Auditor's Report

To the Shareholder of RelyOn Nutec Holding A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of RelyOn Nutec Holding A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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

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.

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.

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.

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.

Hellerup, 20 March 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Company Information

The Company	RelyOn Nutec Holding A/S Kalvebod Brygge 45, 3 DK-1560 København V CVR No: 19 95 13 83 Financial period: 1 January - 31 December Municipality of reg. office:
Board of Directors	Jakob Bo Thomasen , Chairman Henrik Bonnerup Jesper Teddy Lok
Executive Board	Torben Harring Søren Strøm
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Key activities

The purpose of the Company is directly - or indirectly by holding shares or other forms of equity investments in domestic and foreign companies - to engage in theoretical training and practical training in fire, rescue, security, offshore and related areas, as well as directly and / or indirectly through partners in Denmark and abroad to participate in another company which, in the opinion of the Board of Directors, is in connection with the above-mentioned purpose.

The Company has changed its name to RelyOn Nutec Holding A/S from Falck Safety Services Holding A/S after the separation from the Falck Group.

Development in the year

The income statement of the Company for 2018 shows a loss of TDKK 266,712, and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 149,390.

The result is negatively effected by an impairment write-down of DKK 300 million on investment in subsidiaries.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2018 TDKK	2017 TDKK
Gross profit/loss		**-4.458**	**1.679**
Staff expenses	1	-15.433	-16.515
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.955	-4.283
Profit/loss before financial income and expenses		**-21.846**	**-19.119**
Income from investments in subsidiaries	2	-274.676	6.212
Financial income	3	40.790	1.630
Financial expenses	4	-8.116	-157.063
Profit/loss before tax		**-263.848**	**-168.340**
Tax on profit/loss for the year	5	-2.864	5.052
Net profit/loss for the year		**-266.712**	**-163.288**

Distribution of profit

Proposed distribution of profit

Retained earnings	-266.712	-163.288
	-266.712	**-163.288**

Balance Sheet 31 December

Assets

	Note	2018	2017
		TDKK	TDKK
Acquired licenses		4.018	1.683
Prepayment		730	0
Intangible assets	6	**4.748**	**1.683**
Other fixtures and fittings, tools and equipment		2.914	3.929
Leasehold improvements		239	0
Property, plant and equipment	7	**3.153**	**3.929**
Investments in subsidiaries	8	273.116	529.867
Receivables from group enterprises	9	94.583	83.018
Other investments	9	0	1.866
Fixed asset investments		**367.699**	**614.751**
Fixed assets		**375.600**	**620.363**
Trade receivables		0	17
Receivables from group enterprises		409.061	39.611
Other receivables		5.364	1.198
Deferred tax asset		1.689	3.020
Tax receivables		0	903
Prepayments		3.226	187
Receivables		**419.340**	**44.936**
Cash at bank and in hand		**6.769**	**17**
Currents assets		**426.109**	**44.953**
Assets		**801.709**	**665.316**

Balance Sheet 31 December

Liabilities and equity

	Note	2018	2017
		TDKK	TDKK
Share capital		50.142	50.000
Retained earnings		99.248	351.902
Equity	10	**149.390**	**401.902**
Other provisions		0	2.233
Provisions		**0**	**2.233**
Credit institutions		11.749	8
Trade payables		5.560	618
Payables to group enterprises		580.372	252.941
Corporation tax		360	0
Other payables		54.278	7.614
Short-term debt		**652.319**	**261.181**
Debt		**652.319**	**261.181**
Liabilities and equity		**801.709**	**665.316**
Contingent assets, liabilities and other financial obligations	11		
Related parties	12		
Accounting Policies	13		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	50.000	351.902	401.902
Cash capital increase	142	14.058	14.200
Net profit/loss for the year	0	-266.712	-266.712
Equity at 31 December	**50.142**	**99.248**	**149.390**

Notes to the Financial Statements

1 Staff expenses

Wages and salaries	13.751	15.456
Pensions	1.492	981
Other social security expenses	98	78
Other staff expenses	92	0
	15.433	**16.515**
Average number of employees	**9**	**10**

2 Income from investments in subsidiaries

Impairment of investments in subsidiaries	-300.000	0
Dividend	25.324	6.212
	-274.676	**6.212**

The Company hs performed an impairment test based on the recoverable amount. This has resultet in a write-down of DKK 300 million.

3 Financial income

Other financial income	14.355	14
Exchange rate adjustments	26.435	1.616
	40.790	**1.630**

4 Financial expenses

Interest paid to group enterprises	719	600
Other financial expenses	7.397	149.605
Exchange rate adjustments, expenses	0	6.858
	8.116	**157.063**

Notes to the Financial Statements

5 Tax on profit/loss for the year

Current tax for the year	1.663	-4.053
Deferred tax for the year	1.332	-1.004
Adjustment of tax concerning previous years	-131	5
	2.864	**-5.052**

6 Intangible assets

	Acquired licenses TDKK	Prepayment TDKK
Cost at 1 January	17.739	0
Additions for the year	3.344	730
Cost at 31 December	21.083	730
Impairment losses and amortisation at 1 January	16.057	0
Amortisation for the year	1.008	0
Impairment losses and amortisation at 31 December	17.065	0
Carrying amount at 31 December	**4.018**	**730**

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK	Leasehold improvements TDKK
Cost at 1 January	17.760	0
Additions for the year	0	239
Disposals for the year	-8.239	0
Cost at 31 December	9.521	239

Notes to the Financial Statements

7 Property, plant and equipment (continued)

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Impairment losses and depreciation at 1 January	13.832	0
Depreciation for the year	947	0
Reversal of impairment and depreciation of sold assets	-8.172	0
Impairment losses and depreciation at 31 December	6.607	0
Carrying amount at 31 December	**2.914**	**239**

8 Investments in subsidiaries

Cost at 1 January	529.867	529.867
Additions for the year	39.500	0
Transfers for the year	3.749	0
Cost at 31 December	573.116	529.867
Impairments for the year, net	-300.000	0
Value adjustments at 31 December	-300.000	0
Carrying amount at 31 December	**273.116**	**529.867**

9 Other fixed asset investments

	Receivables from group enterprises	Other investments
	TDKK	TDKK
Cost at 1 January	83.018	1.866
Additions for the year	11.565	1.883
Transfers for the year	0	-3.749
Cost at 31 December	94.583	0
Carrying amount at 31 December	**94.583**	**0**

Notes to the Financial Statements

10 Equity

The share capital consists of 50,142,100 shares of a nominal value of TDKK 100. No shares carry any special rights.

11 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with credit institutions:
Shares in subsidiaries, with a carrying value of DKK 269 millions have been pledged as security in connection with the bond financing in the parent company BidCo RelyOn Nutec A/S and the credit institutions in the Company.

Contingent liabilities

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 P-RelyOn Nutec A/S, 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.

The Company has provided a bank guarantee of DKK 4.5 million related to its subsidiaries.

The Group is currently involved in pending litigations, claims and investigations arising out of the normal course of business. Management does not expect any pending claims or investigations to have a material impact on the Groups financial position, operating profit or cash flows.

There are no other material security and contingent liabilitites at 31 December 2018.

12 Related parties

	Basis
Controlling interest	
BidCo RelyOn Nutec A/S	Immediate Parent

Notes to the Financial Statements

12 Related parties (continued)

Transactions

Transactions with related parties have been carried out on arm's length terms.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

Name	Place of registered office
BidCo RelyOn Nutec A/S	Copenhagen

The Group Annual Report of BidCo RelyOn Nutec A/S may be obtained at the following address:

BidCo RelyOn Nutec A/S
Kalvebod Brygge45, 3.
DK-1560 Copenhagen V

Notes to the Financial Statements

13 Accounting Policies

The Annual Report of RelyOn Nutec Holding A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of BidCo RelyOn Nutec A/S, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Notes to the Financial Statements

13 Accounting Policies (continued)

arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, consultants, office expenses, etc.

Gross profit/loss

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary.

Notes to the Financial Statements

13 Accounting Policies (continued)

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 Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

13 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of investments which are not traded in an active market and are measured at the lower of cost and recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of . Provisions are measured and recognised based on experience with guarantee work.

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 elimi-

Notes to the Financial Statements

13 Accounting Policies (continued)

nation 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

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deloitte.

Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Dokken 8
Postbox 200
6701 Esbjerg

Telefon 79 12 84 44
Telefax 79 12 84 55
www.deloitte.dk

Falck Safety Services
Holding A/S
Polititorvet 1
1567 København V
CVR-nr. 19951383

Årsrapport 2017

Godkendt på selskabets generalforsamling, den 31.05.2018

Dirigent

Navn: Lasse Fjeldgaard

Indholdsfortegnelse

Virksomhedsoplysninger

Virksomhed
Falck Safety Services Holding A/S
Polititorvet 1
1567 København V

CVR-nr.: 19951383
Hjemsted: København
Regnskabsår: 01.01.2017 - 31.12.2017

Bestyrelse
Jakob Riis, formand
Tor Magne Lønnum
Thomas Hinrichsen

Direktion
Torben Harring, administrerende direktør
Lizette Kjellerup, økonomidirektør

Revisor
Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Ledelsespåtegning

Bestyrelsen og direktionen har dags dato behandlet og godkendt årsrapporten for regnskabsåret 01.01.2017 - 31.12.2017 for Falck Safety Services Holding A/S.

Årsrapporten aflægges i overensstemmelse med årsregnskabsloven.

Det er vores opfattelse, at årsregnskabet giver et retvisende billede af virksomhedens aktiver, passiver og finansielle stilling pr. 31.12.2017 samt af resultatet af virksomhedens aktiviteter for regnskabsåret 01.01.2017 - 31.12.2017.

Ledelsesberetningen indeholder efter vores opfattelse en retvisende redegørelse for de forhold, beretningen omhandler.

Årsrapporten indstilles til generalforsamlingens godkendelse.

Esbjerg, den 31.05.2018

Direktion

Torben Harring administrerende direktør	Lizette Kjellerup økonomidirektør

Bestyrelse

Jakob Riis formand	Tor Magne Lønnum	Thomas Hinrichsen

Den uafhængige revisors revisionspåtegning

Til kapitalejerne i Falck Safety Services Holding A/S

Konklusion

Vi har revideret årsregnskabet for Falck Safety Services Holding A/S for regnskabsåret 01.01.2017 - 31.12.2017, der omfatter resultatopgørelse, balance, egenkapitalopgørelse og noter, herunder anvendt regnskabspraksis. Årsregnskabet udarbejdes efter årsregnskabsloven.

Det er vores opfattelse, at årsregnskabet giver et retvisende billede af selskabets aktiver, passiver og finansielle stilling pr. 31.12.2017 samt af resultatet af selskabets aktiviteter for regnskabsåret 01.01.2017 - 31.12.2017 i overensstemmelse med årsregnskabsloven.

Grundlag for konklusion

Vi har udført vores revision i overensstemmelse med internationale standarder om revision og de yderligere krav, der er gældende i Danmark. Vores ansvar ifølge disse standarder og krav er nærmere beskrevet i revisionspåtegningens afsnit "Revisors ansvar for revisionen af årsregnskabet". Vi er uafhængige af selskabet i overensstemmelse med internationale etiske regler for revisorer (IESBA's Etiske regler) og de yderligere krav, der er gældende i Danmark, ligesom vi har opfyldt vores øvrige etiske forpligtelser i henhold til disse regler og krav. Det er vores opfattelse, at det opnåede revisionsbevis er tilstrækkeligt og egnet som grundlag for vores konklusion.

Ledelsens ansvar for årsregnskabet

Ledelsen har ansvaret for udarbejdelsen af et årsregnskab, der giver et retvisende billede i overensstemmelse med årsregnskabsloven. Ledelsen har endvidere ansvaret for den interne kontrol, som ledelsen anser for nødvendig for at udarbejde et årsregnskab uden væsentlig fejlinformation, uanset om denne skyldes besvigelser eller fejl.

Ved udarbejdelsen af årsregnskabet er ledelsen ansvarlig for at vurdere selskabets evne til at fortsætte driften, at oplyse om forhold vedrørende fortsat drift, hvor dette er relevant, samt at udarbejde årsregnskabet på grundlag af regnskabsprincippet om fortsat drift, medmindre ledelsen enten har til hensigt at likvidere selskabet, indstille driften eller ikke har andet realistisk alternativ end at gøre dette.

Revisors ansvar for revisionen af årsregnskabet

Vores mål er at opnå høj grad af sikkerhed for, om årsregnskabet som helhed er uden væsentlig fejlinformation, uanset om denne skyldes besvigelser eller fejl, og at afgive en revisionspåtegning med en konklusion. Høj grad af sikkerhed er et højt niveau af sikkerhed, men er ikke en garanti for, at en revision, der udføres i overensstemmelse med internationale standarder om revision og de yderligere krav, der er gældende i Danmark, altid vil afdække væsentlig fejlinformation, når sådan findes. Fejlinformation kan opstå som følge af besvigelser eller fejl og kan betragtes som væsentlige, hvis det med rimelighed kan forventes, at de enkeltvis eller samlet har indflydelse på de økonomiske beslutninger, som regnskabsbrugerne træffer på grundlag af årsregnskabet.

Den uafhængige revisors revisionspåtegning

Som led i en revision, der udføres i overensstemmelse med internationale standarder om revision og de yderligere krav, der er gældende i Danmark, foretager vi faglige vurderinger og opretholder professionel skepsis under revisionen. Herudover:

- Identificerer og vurderer vi risikoen for væsentlig fejlinformation i årsregnskabet, uanset om denne skyldes besvigelser eller fejl, udformer og udfører revisionshandlinger som reaktion på disse risici samt opnår revisionsbevis, der er tilstrækkeligt og egnet til at danne grundlag for vores konklusion. Risikoen for ikke at opdage væsentlig fejlinformation forårsaget af besvigelser er højere end ved væsentlig fejlinformation forårsaget af fejl, idet besvigelser kan omfatte sammensværgelser, dokumentfalsk, bevidste udeladelser, vildledning eller tilsidesættelse af intern kontrol.

- Opnår vi forståelse af den interne kontrol med relevans for revisionen for at kunne udforme revisionshandlinger, der er passende efter omstændighederne, men ikke for at kunne udtrykke en konklusion om effektiviteten af selskabets interne kontrol.

- Tager vi stilling til, om den regnskabspraksis, som er anvendt af ledelsen, er passende, samt om de regnskabsmæssige skøn og tilknyttede oplysninger, som ledelsen har udarbejdet, er rimelige.

- Konkluderer vi, om ledelsens udarbejdelse af årsregnskabet på grundlag af regnskabsprincippet om fortsat drift er passende, samt om der på grundlag af det opnåede revisionsbevis er væsentlig usikkerhed forbundet med begivenheder eller forhold, der kan skabe betydelig tvivl om selskabets evne til at fortsætte driften. Hvis vi konkluderer, at der er en væsentlig usikkerhed, skal vi i vores revisionspåtegning gøre opmærksom på oplysninger herom i årsregnskabet eller, hvis sådanne oplysninger ikke er tilstrækkelige, modificere vores konklusion. Vores konklusioner er baseret på det revisionsbevis, der er opnået frem til datoen for vores revisionspåtegning. Fremtidige begivenheder eller forhold kan dog medføre, at selskabet ikke længere kan fortsætte driften.

- Tager vi stilling til den samlede præsentation, struktur og indhold af årsregnskabet, herunder noteoplysningerne, samt om årsregnskabet afspejler de underliggende transaktioner og begivenheder på en sådan måde, at der gives et retvisende billede heraf.

Vi kommunikerer med den øverste ledelse om bl.a. det planlagte omfang og den tidsmæssige placering af revisionen samt betydelige revisionsmæssige observationer, herunder eventuelle betydelige mangler i intern kontrol, som vi identificerer under revisionen.

Den uafhængige revisors revisionspåtegning

Udtalelse om ledelsesberetningen
Ledelsen er ansvarlig for ledelsesberetningen.

Vores konklusion om årsregnskabet omfatter ikke ledelsesberetningen, og vi udtrykker ingen form for konklusion med sikkerhed om ledelsesberetningen.

I tilknytning til vores revision af årsregnskabet er det vores ansvar at læse ledelsesberetningen og i den forbindelse overveje, om ledelsesberetningen er væsentligt inkonsistent med årsregnskabet eller vores viden opnået ved revisionen eller på anden måde synes at indeholde væsentlig fejlinformation.

Vores ansvar er derudover at overveje, om ledelsesberetningen indeholder krævede oplysninger i henhold til årsregnskabsloven.

Baseret på det udførte arbejde er det vores opfattelse, at ledelsesberetningen er i overensstemmelse med årsregnskabet og er udarbejdet i overensstemmelse med årsregnskabslovens krav. Vi har ikke fundet væsentlig fejlinformation i ledelsesberetningen.

Esbjerg, den 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33963556

Jørn Jepsen
statsautoriseret revisor
MNE-nr. mne24824

Ledelsesberetning

Hovedaktivitet

Selskabets hovedaktivitet omfatter investering i og udvikling af dattervirksomheder inden for Falck koncernens træningsdivision. Træningsdivisionen leverer beredskabsplanlægning, rednings- og sikkerhedsuddannelse samt rådgivning, primært til offshorebranchen og den maritime sektor.

Udvikling i aktiviteter og økonomiske forhold

Årets resultat udgør et underskud på 163.288 t.kr. efter skat, hvilket af ledelsen betegnes som utilfredsstillende. Hovedparten af årets negative resultat kan henføres til restrukturering af aktiviteter i udenlandske datterselskaber.

Begivenheder efter balancedagen

Der er fra balancedagen og frem til i dag ikke indtrådt forhold, som forrykker vurderingen af årsrapporten.

Resultatopgørelse for 2017

	Note	2017 kr.	2016 kr.
Bruttofortjeneste/tab		**1.678.044**	**(4.087.326)**
Personaleomkostninger	1	(16.514.962)	(8.794.530)
Af- og nedskrivninger		(4.283.468)	(4.767.492)
Driftsresultat		**(19.120.386)**	**(17.649.348)**
Indtægter af kapitalandele i tilknyttede virksomheder		6.211.904	6.028.502
Andre finansielle indtægter	2	1.630.529	2.771.870
Andre finansielle omkostninger	3	(157.061.660)	(3.522.129)
Resultat før skat		**(168.339.613)**	**(12.371.105)**
Skat af årets resultat	4	5.051.929	3.648.025
Årets resultat		**(163.287.684)**	**(8.723.080)**
Forslag til resultatdisponering			
Overført resultat		(163.287.684)	(8.723.080)
		(163.287.684)	**(8.723.080)**

Balance pr. 31.12.2017

	Note	2017 kr.	2016 kr.
Erhvervede immaterielle anlægsaktiver		1.682.750	2.853.129
Immaterielle anlægsaktiver	5	**1.682.750**	**2.853.129**
Andre anlæg, driftsmateriel og inventar		3.928.152	4.654.609
Indretning af lejede lokaler		0	284.067
Materielle anlægsaktiver	6	**3.928.152**	**4.938.676**
Kapitalandele i tilknyttede virksomheder		529.866.283	529.866.283
Tilgodehavender hos tilknyttede virksomheder		83.018.247	0
Andre værdipapirer og kapitalandele		1.865.969	1.865.969
Finansielle anlægsaktiver	7	**614.750.499**	**531.732.252**
Anlægsaktiver		**620.361.401**	**539.524.057**
Tilgodehavender fra salg og tjenesteydelser		16.852	531.995
Tilgodehavender hos tilknyttede virksomheder		39.609.803	51.425.914
Udskudt skat		3.020.369	0
Andre tilgodehavender		1.198.655	4.170.193
Tilgodehavende selskabsskat		903.314	2.156.261
Periodeafgrænsningsposter		187.094	94.374
Tilgodehavender		**44.936.087**	**58.378.737**
Likvide beholdninger		**19.538**	**16.497**
Omsætningsaktiver		**44.955.625**	**58.395.234**
Aktiver		**665.317.026**	**597.919.291**

Balance pr. 31.12.2017

	Note	2017 kr.	2016 kr.
Virksomhedskapital		50.000.000	50.000.000
Overført overskud eller underskud		351.902.448	515.190.132
Egenkapital		**401.902.448**	**565.190.132**
Udskudt skat		0	451.974
Andre hensatte forpligtelser		2.232.500	0
Hensatte forpligtelser		**2.232.500**	**451.974**
Bankgæld		7.864	0
Leverandører af varer og tjenesteydelser		618.988	0
Gæld til tilknyttede virksomheder		252.941.029	27.405.583
Anden gæld		7.614.197	4.871.602
Kortfristede gældsforpligtelser		**261.182.078**	**32.277.185**
Gældsforpligtelser		**261.182.078**	**32.277.185**
Passiver		**665.317.026**	**597.919.291**
Ikke-indregnede leje- og leasingforpligtelser	8		
Eventualforpligtelser	9		
Koncernforhold	10		

Egenkapitalopgørelse for 2017

	Virksom-hedskapital kr.	Overført overskud eller underskud kr.	I alt kr.
Egenkapital primo	50.000.000	515.190.132	565.190.132
Årets resultat	0	(163.287.684)	(163.287.684)
Egenkapital ultimo	**50.000.000**	**351.902.448**	**401.902.448**

Noter

	2017 kr.	2016 kr.
1. Personaleomkostninger		
Gager og lønninger	15.456.706	7.806.411
Pensioner	980.643	890.659
Andre omkostninger til social sikring	77.613	97.460
	16.514.962	**8.794.530**
Gennemsnitligt antal fuldtidsansatte medarbejdere	**10**	**11**

	2017 kr.	2016 kr.
2. Andre finansielle indtægter		
Finansielle indtægter fra tilknyttede virksomheder	0	54.292
Renteindtægter i øvrigt	1.630.529	2.717.578
	1.630.529	**2.771.870**

	2017 kr.	2016 kr.
3. Andre finansielle omkostninger		
Finansielle omkostninger fra tilknyttede virksomheder	599.734	23.178
Renteomkostninger i øvrigt	6.938.100	3.498.951
Øvrige finansielle omkostninger	149.523.826	0
	157.061.660	**3.522.129**

	2017 kr.	2016 kr.
4. Skat af årets resultat		
Aktuel skat	(4.052.558)	(2.837.261)
Ændring af udskudt skat	(1.004.099)	(494.408)
Regulering vedrørende tidligere år	4.728	(316.356)
	(5.051.929)	**(3.648.025)**

Noter

	Erhvervede immaterielle anlægsaktiver kr.
5. Immaterielle anlægsaktiver	
Kostpris primo	17.764.409
Afgange	(25.182)
Kostpris ultimo	**17.739.227**
Af- og nedskrivninger primo	(14.911.280)
Årets afskrivninger	(1.145.197)
Af- og nedskrivninger ultimo	**(16.056.477)**
Regnskabsmæssig værdi ultimo	**1.682.750**

	Andre anlæg, driftsmateriel og inventar kr.	Indretning af lejede lokaler kr.
6. Materielle anlægsaktiver		
Kostpris primo	17.489.686	455.920
Tilgange	2.570.442	0
Afgange	(2.300.315)	(455.920)
Kostpris ultimo	**17.759.813**	**0**
Af- og nedskrivninger primo	(12.835.077)	(171.853)
Årets afskrivninger	(1.992.087)	0
Tilbageførsel ved afgange	995.503	171.853
Af- og nedskrivninger ultimo	**(13.831.661)**	**0**
Regnskabsmæssig værdi ultimo	**3.928.152**	**0**

Noter

	Kapital-andele i tilknyttede virk-somheder kr.	Tilgode-havender hos tilknyttede virk-somheder kr.	Andre værdi-papirer og kapital-andele kr.
7. Finansielle anlægsaktiver			
Kostpris primo	529.866.283	0	1.865.969
Tilgange	0	83.018.247	0
Kostpris ultimo	**529.866.283**	**83.018.247**	**1.865.969**
Regnskabsmæssig værdi ultimo	**529.866.283**	**83.018.247**	**1.865.969**

8. Ikke-indregnede leje- og leasingforpligtelser

Selskabet har indgået lejeaftale vedrørende administrationslokaler mv. Den samlede leje i uopsigelighedsperioden udgør 722 t.kr.

Selskabet har indgået operationelle leasingkontrakter med en gennemsnitlig årlig leasingydelse på 301 t.kr. Leasingkontrakternes restleasingydelse udgør 1.005 t.kr.

9. Eventualforpligtelser

Falck Safety Services Holding A/S indgår i en dansk sambeskatning med Lundbeckfond Invest A/S som administrationsselskab. Selskabet hæfter derfor solidarisk i henhold til selskabsskattelovens regler herom fra og med regnskabsåret 2013 for indkomstskatter mv. for de sambeskattede selskaber og fra og med 1. juli 2012 ligeledes for eventuelle forpligtelser til at indeholde kildeskat på renter, royalties og udbytter for de sambeskattede selskaber.

10. Koncernforhold

Navn og hjemsted for modervirksomheden, der udarbejder koncernregnskab for den største koncern:

Lundbeckfonden, Scherfigsvej, København Ø

Navn og hjemsted for modervirksomheden, der udarbejder koncernregnskab for den mindste koncern:

Falck Holding A/S, Polititorvet, København V

Anvendt regnskabspraksis

Regnskabsklasse

Årsrapporten er aflagt i overensstemmelse med årsregnskabslovens bestemmelser for regnskabsklasse B med tilvalg af enkelte bestemmelser for regnskabsklasse C.

Årsregnskabet er aflagt efter samme regnskabspraksis som sidste år.

Koncernregnskab

Med henvisning til årsregnskabslovens § 112, stk. 1 er der ikke udarbejdet koncernregnskab.

Generelt om indregning og måling

Aktiver indregnes i balancen, når det som følge af en tidligere begivenhed er sandsynligt, at fremtidige økonomiske fordele vil tilflyde virksomheden, og aktivets værdi kan måles pålideligt.

Forpligtelser indregnes i balancen, når virksomheden som følge af en tidligere begivenhed har en retlig eller faktisk forpligtelse, og det er sandsynligt, at fremtidige økonomiske fordele vil fragå virksomheden, og forpligtelsens værdi kan måles pålideligt.

Ved første indregning måles aktiver og forpligtelser til kostpris. Måling efter første indregning sker som beskrevet for hver enkelt regnskabspost nedenfor.

Ved indregning og måling tages hensyn til forudsigelige risici og tab, der fremkommer, inden årsrapporten aflægges, og som be- eller afkræfter forhold, der eksisterede på balancedagen.

I resultatopgørelsen indregnes indtægter, i takt med at de indtjenes, mens omkostninger indregnes med de beløb, der vedrører regnskabsåret.

Omregning af fremmed valuta

Transaktioner i fremmed valuta omregnes ved første indregning til transaktionsdagens kurs. Tilgodehavender, gældsforpligtelser og andre monetære poster i fremmed valuta, som ikke er afregnet på balancedagen, omregnes til balancedagens valutakurs. Valutakursdifferencer, der opstår mellem transaktionsdagens kurs og kursen på henholdsvis betalingsdagen og balancedagen, indregnes i resultatopgørelsen som finansielle poster. Materielle og immaterielle anlægsaktiver, varebeholdninger og andre ikke-monetære aktiver, der er købt i fremmed valuta, omregnes til historiske kurser.

Resultatopgørelsen

Bruttofortjeneste eller -tab

Bruttofortjeneste omfatter nettoomsætning, andre driftsindtægter og eksterne omkostninger.

Nettoomsætning

Nettoomsætning ved salg af tjenesteydelser indregnes i resultatopgørelsen, når levering til køber har fundet sted. Nettoomsætning indregnes eksklusive moms, afgifter og rabatter i forbindelse med salget og måles til dagsværdien af det fastsatte vederlag.

Anvendt regnskabspraksis

Andre eksterne omkostninger
Andre eksterne omkostninger omfatter omkostninger, der vedrører virksomhedens primære aktiviteter, herunder lokaleomkostninger, kontorholdsomkostninger, salgsfremmende omkostninger mv.

Personaleomkostninger
Personaleomkostninger omfatter løn og gager såvel som omkostninger til social sikring, pensioner o.l. for virksomhedens medarbejdere.

Af- og nedskrivninger
Af- og nedskrivninger af materielle og immaterielle anlægsaktiver består af regnskabsårets af- og nedskrivninger opgjort ud fra henholdsvis de fastsatte restværdier og brugstider for de enkelte aktiver.

Indtægter af kapitalandele i tilknyttede virksomheder
Indtægter af kapitalandele i tilknyttede virksomheder omfatter de i regnskabsåret modtagne udbytter fra de enkelte virksomheder.

Andre finansielle indtægter
Andre finansielle indtægter består af renteindtægter, herunder renteindtægter fra tilgodehavender hos tilknyttede virksomheder, nettokursgevinster vedrørende gæld og transaktioner i fremmed valuta, amortisering af finansielle aktiver samt godtgørelser under acontoskatteordningen mv.

Andre finansielle omkostninger
Andre finansielle omkostninger består af renteomkostninger, herunder renteomkostninger fra gæld til tilknyttede virksomheder, nettokurstab vedrørende gæld og transaktioner i fremmed valuta, amortisering af finansielle forpligtelser samt tillæg under acontoskatteordningen mv.

Skat
Årets skat, der består af årets aktuelle skat og ændring af udskudt skat, indregnes i resultatopgørelsen med den del, der kan henføres til årets resultat, og direkte på egenkapitalen med den del, der kan henføres til posteringer direkte på egenkapitalen.

Selskabet er sambeskattet med moderselskabet. Den aktuelle danske selskabsskat fordeles mellem de sambeskattede virksomheder i forhold til disses skattepligtige indkomster (fuld fordeling med refusion vedrørende skattemæssige underskud).

Balancen
Immaterielle rettigheder mv.
Immaterielle rettigheder mv. omfatter igangværende og færdiggjorte udviklingsprojekter med tilknyttede immaterielle rettigheder, erhvervede immaterielle rettigheder.

Anvendt regnskabspraksis

Erhvervede immaterielle rettigheder måles til kostpris med fradrag af akkumulerede afskrivninger. Rettighederne afskrives lineært over den forventede brugstid. Afskrivningsperioden udgør 3-5 år, dog maksimalt restløbetiden for de pågældende rettigheder.

Immaterielle rettigheder mv. nedskrives til genindvindingsværdi, hvis denne er lavere end den regnskabsmæssige værdi.

Materielle anlægsaktiver
Andre anlæg, driftsmateriel og inventar måles til kostpris med fradrag af akkumulerede af- og nedskrivninger.

Kostprisen omfatter anskaffelsesprisen, omkostninger direkte tilknyttet anskaffelsen og omkostninger til klargøring af aktivet indtil det tidspunkt, hvor aktivet er klar til at blive taget i brug.

Afskrivningsgrundlaget er kostpris med fradrag af forventet restværdi efter afsluttet brugstid. Der foretages lineære afskrivninger baseret på følgende vurdering af aktivernes forventede brugstider:

Andre anlæg, driftsmateriel og inventar	3-10 år
Indretning af lejede lokaler	5 år

Materielle anlægsaktiver nedskrives til genindvindingsværdi, hvis denne er lavere end den regnskabsmæssige værdi.

Kapitalandele i tilknyttede virksomheder
Kapitalandele i tilknyttede virksomheder måles til kostpris. Kapitalandelene nedskrives til genindvindingsværdi, hvis denne er lavere end den regnskabsmæssige værdi.

Tilgodehavender
Tilgodehavender måles til amortiseret kostpris, der sædvanligvis svarer til nominel værdi, med fradrag af nedskrivninger til imødegåelse af forventede tab.

Andre værdipapirer og kapitalandele
Andre værdipapirer og kapitalandele måles til kostpris.

Udskudt skat
Udskudt skat indregnes af alle midlertidige forskelle mellem regnskabsmæssige og skattemæssige værdier af aktiver og forpligtelser, hvor den skattemæssige værdi af aktiverne opgøres med udgangspunkt i den planlagte anvendelse af det enkelte aktiv.

Udskudte skatteaktiver, herunder skatteværdien af fremførselsberettigede, skattemæssige underskud, indregnes i balancen med den værdi, aktivet forventes at kunne realiseres til, enten ved modregning i udskudte skatteforpligtelser eller som nettoskatteaktiver.

Anvendt regnskabspraksis

Tilgodehavende og skyldig Selskabsskat
Aktuelle skatteforpligtelser eller tilgodehavende aktuel skat indregnes i balancen opgjort som beregnet skat af årets skattepligtige indkomst, der er reguleret for betalt acontoskat.

Periodeafgrænsningsposter
Periodeafgrænsningsposter indregnet under aktiver omfatter afholdte omkostninger, der vedrører efterfølgende regnskabsår. Periodeafgrænsningsposter måles til kostpris.

Likvide beholdninger
Likvide beholdninger omfatter kontante beholdninger og bankindeståender.

Andre hensatte forpligtelser
Andre hensatte forpligtelser omfatter forventede omkostninger til besluttede og offentliggjorte omstruktureringer mv.

Andre hensatte forpligtelser indregnes og måles som det bedste skøn over de omkostninger, der er nødvendige for på balancedagen at afvikle forpligtelserne. Hensatte forpligtelser med en forventet forfaldstid, der ligger ud over et år fra balancedagen, måles til tilbagediskonteret værdi.

Andre finansielle forpligtelser
Andre finansielle forpligtelser måles til amortiseret kostpris, der sædvanligvis svarer til nominel værdi.

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift.
Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Lasse Fjeldgaard
Dirigent
Serienummer: PID:9208-2002-2-473533777242
IP: 80.62.116.51
2018-05-31 17:41:40Z
NEM ID

Jørn Jepsen
Revisor
Serienummer: CVR:33963556-RID:67502045
IP: 194.239.236.89
2018-06-01 04:34:18Z
NEM ID

Jakob Riis
Bestyrelsesformand
Serienummer: PID:9208-2002-2-097513340248
IP: 80.62.117.113
2018-06-03 20:46:23Z
NEM ID

Tor Magne Lønnum
Bestyrelsesmedlem
Serienummer: 9578-5993-4-2453299
IP: 80.167.236.52
2018-06-04 07:32:46Z
bank ID

Lizette Kjellerup
Direktionsmedlem
Serienummer: PID:9208-2002-2-935062565149
IP: 91.198.252.10
2018-06-05 05:32:23Z
NEM ID

Torben Harring
Adm. direktør
Serienummer: PID:9208-2002-2-067161582010
IP: 91.198.252.10
2018-06-06 11:23:49Z
NEM ID

Thomas Hinrichsen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-541220589204
IP: 91.198.252.10
2018-06-08 07:11:01Z
NEM ID

Penneo dokumentnøgle: K6UEC-CYXZF-4G5L8-N1YH7-NCUU4-UAKQ8

RelyOn Nutec Denmark A/S

Uglviggårdsvej 3, DK-6705 Esbjerg Ø

Annual Report for 1 January - 31 December 2018

CVR No 27 46 08 28

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 5 /7 2019

Søren Strøm
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of RelyOn Nutec Denmark A/S for the financial year 1 January - 31 December 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Esbjerg, 5 July 2019

Executive Board

Claus Nexø Hansen
CEO

Board of Directors

Torben Peder Korsgaard Chairman	Torben Harring	Søren Strøm
Jesper René Daugbjerg	Rene Kjer Petersen	

Independent Auditor’s Report

To the Shareholders of RelyOn Nutec Denmark A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company’s operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of RelyOn Nutec Denmark A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

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

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.

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.

Hellerup, 5 July 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Company Information

The Company	RelyOn Nutec Denmark A/S Uglviggårdsvej 3 DK-6705 Esbjerg Ø CVR No: 27 46 08 28 Financial period: 1 January - 31 December Municipality of reg. office: Esbjerg
Board of Directors	Torben Peder Korsgaard, Chairman Torben Harring Søren Strøm Jesper René Daugbjerg Rene Kjer Petersen
Executive Board	Claus Nexø Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2018	2017
		DKK	DKK
Gross profit/loss		**41,137,151**	**30,401,330**
Staff expenses	2	(28,560,796)	(26,615,569)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		(3,022,928)	(4,589,534)
Profit/loss before financial income and expenses		**9,553,427**	**(803,773)**
Financial income	3	96,086	3,895
Financial expenses	4	(193,480)	(261,645)
Profit/loss before tax		**9,456,033**	**(1,061,523)**
Tax on profit/loss for the year	5	(2,171,382)	(197,844)
Net profit/loss for the year		**7,284,651**	**(1,259,367)**

Distribution of profit

Proposed distribution of profit

Retained earnings	7,284,651	(1,259,367)
	7,284,651	**(1,259,367)**

Balance Sheet 31 December

Assets

	Note	2018	2017
		DKK	DKK
Land and buildings		593,419	593,419
Other fixtures and fittings, tools and equipment		8,968,644	9,386,484
Leasehold improvements		2,888,872	2,816,772
Property, plant and equipment in progress		352,687	161,990
Property, plant and equipment	6	**12,803,622**	**12,958,665**
Other receivables		0	694,888
Fixed asset investments		**0**	**694,888**
Fixed assets		**12,803,622**	**13,653,553**
Trade receivables		10,688,267	8,242,738
Receivables from group enterprises		9,623,199	2,160,814
Other receivables		2,623,002	2,776,816
Deferred tax asset		1,540,437	891,035
Corporation tax		1,132,685	368,824
Prepayments		1,588,796	428,268
Receivables		**27,196,386**	**14,868,495**
Cash at bank and in hand		**379,708**	**2,565,403**
Currents assets		**27,576,094**	**17,433,898**
Assets		**40,379,716**	**31,087,451**

Balance Sheet 31 December

Liabilities and equity

	Note	2018	2017
		DKK	DKK
Share capital		2,010,000	2,010,000
Retained earnings		25,428,046	18,090,040
Equity	7	**27,438,046**	**20,100,040**
Lease obligations		802,726	857,086
Long-term debt	8	**802,726**	**857,086**
Lease obligations	8	54,360	45,074
Trade payables		3,848,635	2,778,805
Payables to group enterprises		1,109,760	2,058,824
Corporation tax		1,438,118	0
Other payables		5,688,071	5,247,622
Short-term debt		**12,138,944**	**10,130,325**
Debt		**12,941,670**	**10,987,411**
Liabilities and equity		**40,379,716**	**31,087,451**
Key activities	1		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Subsequent events	11		
Accounting Policies	12		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	2,010,000	18,090,040	20,100,040
Exchange adjustments	0	53,355	53,355
Net profit/loss for the year	0	7,284,651	7,284,651
Equity at 31 December	**2,010,000**	**25,428,046**	**27,438,046**

Notes to the Financial Statements

1 Key activities

The Entity's primary activity is to provide safety training and consultancy services to relevant high-risk industries, from facilities in Denmark and the branch in Germany.

	2018	2017
	DKK	DKK

2 Staff expenses

	2018 DKK	2017 DKK
Wages and salaries	26,242,346	23,920,733
Pensions	2,318,450	2,694,836
	28,560,796	**26,615,569**
Average number of employees	**57**	**53**

3 Financial income

	2018 DKK	2017 DKK
Other financial income	53,786	3,895
Exchange gains	42,300	0
	96,086	**3,895**

4 Financial expenses

	2018 DKK	2017 DKK
Other financial expenses	193,480	223,173
Exchange loss	0	38,472
	193,480	**261,645**

5 Tax on profit/loss for the year

	2018 DKK	2017 DKK
Current tax for the year	2,800,254	582,114
Deferred tax for the year	(437,940)	(383,695)
Adjustment of tax concerning previous years	(190,932)	(575)
	2,171,382	**197,844**

Notes to the Financial Statements

6 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK
Cost at 1 January	2,952,694	38,523,068	5,260,756	161,990
Additions for the year	0	2,441,564	73,634	352,687
Transfers for the year	0	0	161,990	(161,990)
Cost at 31 December	2,952,694	40,964,632	5,496,380	352,687
Impairment losses and depreciation at 1 January	2,359,275	29,136,584	2,443,984	0
Depreciation for the year	0	2,859,404	163,524	0
Impairment losses and depreciation at 31 December	2,359,275	31,995,988	2,607,508	0
Carrying amount at 31 December	**593,419**	**8,968,644**	**2,888,872**	**352,687**
Including assets under finance leases amounting to	0	770,000	0	0

7 Equity

The share capital consists of 2,010,000 shares of a nominal value of DKK 2,010,000. No shares carry any special rights.

Notes to the Financial Statements

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2018	2017
	DKK	DKK
Lease obligations		
After 5 years	447,776	562,763
Between 1 and 5 years	354,950	294,323
Long-term part	802,726	857,086
Within 1 year	54,360	45,074
	857,086	**902,160**

9 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has signed an interminable rental agreement effective until 30 September 2036 for its buildings. Annual rent totals DKK 2,587k.

The Company has also signed a rental agreement for other premises effective until 31 October 2020. Annual rent amounts to DKK 1,546k

The Danish 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 P-RelyOn Nutec A/S, which is the management company of the joint taxation purposes. Moreover, the Danish 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

10 Related parties

	Basis

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

Name	Place of registered office
BidCo RelyOn Nutec A/S	Copenhagen

The Group Annual Report of BidCo RelyOn Nutec A/S may be obtained at the following address:

BidCo RelyOn Nutec A/S
Kalvebod Brygge 45,3.
DK-1560 København V

11 Subsequent events

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

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of RelyOn Nutec Denmark A/S for 2018 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 2018 are presented in DKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

On recognition of foreign subsidiaries where operations are independent from the parent compay, profit and loss accounts are translated at monthly average exchange rates, and balance sheet items are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates ruling at the balance sheet date and on translation of profit and loss accounts from average exchange rates to the rates ruling at the balance sheet date are recognised directly in equity.

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises and sales as well as office expenses, etc.

Gross profit/loss

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

12 Accounting Policies (continued)

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

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	20	years
Other fixtures and fittings, tools and equipment	3-10	years
Leasehold improvements	10	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

12 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning incurred costs relating to subsequent financial years.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Dokken 8
Postbox 200
6701 Esbjerg

Phone 79 12 84 44
Fax 79 12 84 55
www.deloitte.dk

Falck Safety Services A/S

Uglviggårdsvej 3
6705 Esbjerg Ø, Denmark
Business Registration No
27460828

Annual report 2017

The Annual General Meeting adopted the annual report on 18.05.2018

Chairman of the General Meeting

____

Name: Thomas Hinrichsen

Contents

Entity details

Entity
Falck Safety Services A/S
Uglviggårdsvej 3
6705 Esbjerg Ø, Denmark

Central Business Registration No (CVR): 27460828
Registered in: Esbjerg, Denmark
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Torben Peder Korsgaard, Chairman
Lizette Kjellerup
Torben Harring
Rene Kjer Petersen
Jesper René Daugbjerg

Executive Board
Claus Nexø Hansen, Chief Executive Officer

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Falck Safety Services A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 04.05.2018

Executive Board

Claus Nexø Hansen
Chief Executive Officer

Board of Directors

Torben Peder Korsgaard Chairman	Lizette Kjellerup	Torben Harring
Rene Kjer Petersen	Jesper René Daugbjerg	

Independent auditor's report

To the shareholders of Falck Safety Services A/S

Opinion

We have audited the financial statements of Falck Safety Services A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity 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 Entity’s financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor’s report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Esbjerg, 04.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Jørn Jepsen
State Authorised Public Accountant
Identification No (MNE) mne24824

Management commentary

	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000
Financial highlights					
Key figures					
Gross profit	30,401	33,105	36,368	47,878	47,657
Operating profit/loss	(804)	4,016	546	11,256	12,628
Net financials	(258)	(193)	(299)	(259)	(385)
Profit/loss for the year	(1,259)	2,924	(724)	7,835	9,167
Total assets	31,087	36,329	36,121	39,234	34,770
Investments in property, plant and equipment	2,155	494	3,649	4,705	2,931
Equity	20,100	27,359	24,865	14,554	16,133
Ratios					
Return on equity (%)	(5.3)	11.2	(3.7)	51.1	63.4
Equity ratio (%)	64.7	75.3	68.8	37.1	46.4

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities
The Entity´s primary activity is to provide safety training and consultancy services to relevant high-risk industries.

Development in activities and finances
Net loss for the year is DKK 1,259k, and equity is DKK 20,100k at 31.12.2017.

Ambitious 2018 growth targets had been set for revenue from the Danish activities and for further development of the training activities in Bremerhaven, Germany. The results achieved through the activities in Denmark and Germany (branch) are considered unsatisfactory by Management.

Outlook
Intensified competition in the market for safety training is expected for 2018 as well as market restraints. Expectations for training in the wind turbine manufacturing industry are still on the rise whereas demand in the oil and gas industries is expected to be at a standstill.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017

	Notes	2017 DKK	2016 DKK
Gross profit		**30,401,330**	**33,104,848**
Staff costs	1	(26,615,569)	(25,363,608)
Depreciation, amortisation and impairment losses		(4,589,534)	(3,725,376)
Operating profit/loss		**(803,773)**	**4,015,864**
Other financial income		31,783	110,277
Financial expenses from group enterprises		0	(2,644)
Other financial expenses		(289,533)	(300,321)
Profit/loss before tax		**(1,061,523)**	**3,823,176**
Tax on profit/loss for the year	2	(197,844)	(898,893)
Profit/loss for the year		**(1,259,367)**	**2,924,283**
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		0	6,000,000
Retained earnings		(1,259,367)	(3,075,717)
		(1,259,367)	**2,924,283**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Acquired intangible assets		0	0
Intangible assets	3	**0**	**0**
Land and buildings		593,419	1,985,048
Other fixtures and fittings, tools and equipment		9,386,484	11,150,571
Leasehold improvements		2,816,772	2,257,191
Property, plant and equipment in progress		161,990	0
Property, plant and equipment	4	**12,958,665**	**15,392,810**
Other receivables		694,888	986,080
Fixed asset investments	5	**694,888**	**986,080**
Fixed assets		**13,653,553**	**16,378,890**
Trade receivables		8,242,738	7,764,444
Receivables from group enterprises		2,160,814	7,170,642
Deferred tax		891,035	322,754
Other receivables		2,786,993	2,755,419
Income tax receivable		368,824	0
Prepayments		418,091	352,438
Receivables		**14,868,495**	**18,365,697**
Cash		**2,565,403**	**1,584,693**
Current assets		**17,433,898**	**19,950,390**
Assets		**31,087,451**	**36,329,280**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital	6	2,010,000	2,010,000
Retained earnings		18,090,040	19,349,407
Proposed dividend		0	6,000,000
Equity		**20,100,040**	**27,359,407**
Finance lease liabilities		857,086	902,160
Non-current liabilities other than provisions	7	**857,086**	**902,160**
Current portion of long-term liabilities other than provisions	7	45,074	37,376
Trade payables		2,227,552	1,575,315
Payables to group enterprises		2,058,824	942,907
Income tax payable		0	570,180
Other payables		5,798,875	4,941,935
Current liabilities other than provisions		**10,130,325**	**8,067,713**
Liabilities other than provisions		**10,987,411**	**8,969,873**
Equity and liabilities		**31,087,451**	**36,329,280**
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Related parties with controlling interest	10		
Group relations	11		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	2,010,000	19,349,407	6,000,000	27,359,407
Ordinary dividend paid	0	0	(6,000,000)	(6,000,000)
Profit/loss for the year	0	(1,259,367)	0	(1,259,367)
Equity end of year	**2,010,000**	**18,090,040**	**0**	**20,100,040**

Notes

	2017 DKK	2016 DKK
1. Staff costs		
Wages and salaries	23,920,733	22,594,452
Pension costs	2,419,513	2,433,847
Other social security costs	275,323	335,309
	26,615,569	**25,363,608**
Average number of employees	**53**	**56**

	2017 DKK	2016 DKK
2. Tax on profit/loss for the year		
Current tax	582,114	1,589,993
Change in deferred tax	(383,695)	(214,045)
Adjustment concerning previous years	(575)	(477,055)
	197,844	**898,893**

	Acquired intangible assets DKK
3. Intangible assets	
Cost beginning of year	736,329
Cost end of year	**736,329**
Amortisation and impairment losses beginning of year	(736,329)
Amortisation and impairment losses end of year	**(736,329)**
Carrying amount end of year	**0**

Notes

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK	Property, plant and equipment in progress DKK
4. Property, plant and equipment				
Cost beginning of year	2,952,694	37,580,202	4,243,221	0
Additions	0	975,866	1,017,535	161,990
Disposals	0	(33,000)	0	0
Cost end of year	**2,952,694**	**38,523,068**	**5,260,756**	**161,990**
Depreciation and impairment losses beginning of year	(967,646)	(26,429,631)	(1,986,030)	0
Impairment losses for the year	(1,268,893)	0	0	0
Depreciation for the year	(122,736)	(2,739,953)	(457,954)	0
Reversal regarding disposals	0	33,000	0	0
Depreciation and impairment losses end of year	**(2,359,275)**	**(29,136,584)**	**(2,443,984)**	**0**
Carrying amount end of year	**593,419**	**9,386,484**	**2,816,772**	**161,990**
Recognised assets not owned by entity	**-**	**998,146**	**-**	**-**

	Other receivables DKK
5. Fixed asset investments	
Cost beginning of year	986,080
Disposals	(291,192)
Cost end of year	**694,888**
Carrying amount end of year	**694,888**

Notes

	Number	Par value DKK	Nominal value DKK
6. Contributed capital			
Shares	1	2000000	2,000,000
Shares	1	10000	10,000
	2		**2,010,000**

	Due within 12 months 2017 DKK	Due within 12 months 2016 DKK	Due after more than 12 months 2017 DKK	Outstanding after 5 years DKK
7. Liabilities other than provisions				
Finance lease liabilities	45,074	37,376	857,086	562,763
	45,074	**37,376**	**857,086**	**562,763**

8. Unrecognised rental and lease commitments

The Entity has signed operating leases at average annual lease payments of DKK 415k. The remaining terms of the leases range from 12 to 27 months with lease payments totaling DKK 1,033k.

9. Contingent liabilities

The Entity has signed an interminable rental agreement effective until 30 September 2036 for its buildings. Annual rent totals DKK 2,587k.

The Entity has also signed a rental agreement for other premises effective until 31 October 2020. Annual rent amounts to DKK 1,546k.

The Company participates in a Danish joint taxation arrangement in which Lundbeckfond Invest A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

10. Related parties with controlling interest

Falck Safety Services Holding A/S, Uglviggårdsvej 3, Esbjerg.

Notes

11. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Lundbeckfonden, Scherfigsvej, København Ø
Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Falck Holding A/S, Polititorvet, København V

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for report-ing class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the parent and its all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Accounting policies

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and intellectual property rights acquired.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. 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 is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	20 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

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

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

RelyOn Nutec Holding B.V.

Registration number 33292839

Special Purpose Financial Statements
for 2018 and 2017

Contents

Company information

The Company	RelyOn Nutec Holding B.V. Beerweg 71 Maasvlakte Rotterdam, 3199 LM The Netherlands	
	Registration Number:	33292839
	Financial year:	1 January – 31 December
	Jurisdiction of reg. office:	Rotterdam
Ownership	The Company is fully owned by: RelyOn Nutec Holding A/S Registration Number 19951383 Kalvebod Brygge 45, 3rd floor DK-1560 Copenhagen Denmark	
Board of Directors	Torben Harring Søren Strøm	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup Denmark	

Management's Statement on the Special Purpose Financial Statements

The board of directors has today considered and adopted the Special Purpose Financial Statements of RelyOn Nutec Holding B.V. for the financial year 1 January - 31 December 2018 and 1 January – 31 December 2017, respectively.

The Special Purpose Financial Statements are prepared in accordance with the accounting policies set out in note 1. We consider the accounting policies applied appropriate and the accounting estimates reasonable.

In our opinion, the Special Purpose Financial Statements have in all material respects been prepared in accordance with the accounting policies set out in note 1 and give a fair presentation of the financial position at 31 December 2018 and 31 December 2017, respectively, of the Company and of the results of the Company's operations for 2018 and 2017, respectively.

No events have occurred after 31 December 2018 that have a material effect of the Company's financial position at 31 December 2018.

9. September 2019

Board of directors

Torben Harring

Søren Strøm

Independent Auditor's Report

To the shareholders of RelyOn Nutec Holding B.V.

Opinion

In our opinion, the Special Purpose Financial Statements of RelyOn Nutec Holding B.V. (the Company) are prepared, in all material respects, in accordance with the accounting policies set out in note 1.

We have audited

The Special Purpose Financial Statements of the Company comprise:

- income statement for the financial year 2018 and 2017, respectively,
- balance sheet as of 31 December 2018 and 31 December 2017, respectively,
- statement of changes in equity for 2018 and 2017, respectively, and
- notes to the Special Purpose Financial Statements, which include a summary of significant accounting policies.

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 Special Purpose 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.

Emphasis of Matter – Basis of accounting and Restriction on distribution and use

We draw attention to Note 1 to the Special Purpose Financial Statements, which describes the basis of accounting and that the Special Purpose Financial Statements have been prepared by Management for the sole purpose of fulfilling BidCo RelyOn Nutec A/S', Denmark obligations towards the Financial Supervisory Authority of Norway to prepare Special Purpose Financial Statements for guarantors and may therefore not be suitable for any other purposes.

Our Report has been prepared solely for use by RelyOn Nutec Holding B.V. and the Financial Supervisory Authority of Norway and should not be distributed to or used by any other parties. Our opinion is not modified in respect to this matter.

Management's Responsibility for the Special Purpose Financial Statements
Management is responsible for the preparation and fair presentation of the Special Purpose Financial Statements in accordance with the accounting policies set out in note 1, 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 Special Purpose 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 Special Purpose Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements
Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 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 Special Purpose Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 Special Purpose 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 Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose 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.

Hellerup, 9 September 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Income Statement 1 January - 31 December

	Note	2018	2017
		EUR'000	EUR'000
Income from investments in subsidiaries		2.131	1.787
Impairment of investment in subsidiaries	6	-13.717	0
Other external expenses		-102	-838
Profit before financial items		**-11.688**	**949**
Financial income		0	97
Financial expenses	4	-49	-7
Profit before tax		**-11.737**	**1.040**
Tax on profit for the year	5	0	-1.385
Profit/loss for the year		**-11.737**	**-345**

Statement of Comprehensive Income 1 January - 31 December

	2018	2017
	EUR'000	EUR'000
Profit/loss for the year	-11.737	-345
Comprehensive income	**-11.737**	**-345**

Balance Sheet at 31 December

Assets

	Note	2018	2017
		EUR'000	EUR'000
Investment in subsidiaries	6	32.825	34.339
Financial fixed assets		**32.825**	**34.339**
Non-current assets		**32.825**	**34.339**
Trade receivables		0	6
Receivables		**0**	**6**
Cash		**412**	**113**
Current assets		**412**	**119**
Assets		**33.237**	**34.458**

Balance Sheet at 31 December

Equity and liabilities

	Note	2018	2017
		EUR'000	EUR'000
Equity		**18.528**	**30.265**
Payables from group companies		14.668	4.030
Trade payables		41	5
Income tax payable		0	158
Current liabilities		**14.709**	**4.193**
Liabilities		**14.709**	**4.193**
Equity and liabilities		**33.237**	**34.458**
Going Concern	2		
Contingent liabilities and other financial obligations	7		
Related parties	8		
Subsequent events	9		

Statement of Changes in Equity 1 January - 31 December

	Retained earnings	Total
	EUR'000	EUR'000
Equity at 1 January 2018	30.265	30.265
Comprehensive income for the year	-11.737	-11.737
Equity at 31 December 2018	**18.528**	**18.528**
Equity at 1 January 2017	30.610	30.610
Comprehensive income for the year	-345	-345
Equity at 31 December 2017	**30.265**	**30.265**

No share capital is issued.

Notes

1 Accounting Policies

The Special Purpose Financial Statements are prepared for the sole purpose of fulfilling the requirement from the Financial Supervisory Authority of Norway (and the Oslo Stock Exchange) regarding the application for admission to the listing of the BidCo RelyOn Nutec A/S`s bonds on the Oslo Stock Exchange.

The Special Purpose Financial Statements for 2017 and 2018, respectively, are prepared in accordance with the accounting policies set out below. The disclosure and presentation requirements have been established by the Management. The Special Purpose Financial Statements may therefore not be suitable for any other purposes than the above listed.

The Special Purpose Financial Statements are presented in EUR. The Company operates in EUR ('the functional currency').

Consolidated Financial Statement

The Company has not prepared consolidated Special Purpose Financial Statements as the Company is included in the Consolidated Financial Statements of BidCo RelyOn Nutec A/S, Denmark.

Income statement

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary.

Financial income and expenses

Financial income and expenses represent interest income and interest expense determined on an effective interest basis and realized and unrealized exchange rate gains and losses.

Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Notes

Balance sheet

Investments in subsidiaries

Investment in subsidiaries are measured at cost or at a lower recoverable amount. If indications of impairments are identified, an impairment test is prepared. If the recoverable amount is lower than the carrying amount, the asset is written down to its lower recoverable amount.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

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 realized, 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 crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Notes

2 Going Concern

The Company has received a Letter of Support and Subordination from its Parent Companies in Denmark, BidCo RelyOn Nutec A/S and RelyOn Nutec Holding A/S insuring the required funding of its future operation until 31 December 2020. Furthermore, the Parent Companies will subordinate their receivables in favour of other creditors of the Company.

Management have on this basis prepared the Financial Statements on a going concern basis.

		2018	2017
		USD '000	USD '000
3	**Financial income**		
	Interest income	0	97
		0	**97**
4	**Financial expenses**		
	Exchange rate difference, net	20	-5
	Bank costs	-4	-2
	Intercompany interests paid	-65	0
		-49	**-7**
5	**Tax on profit for the year**		
	Current tax on profit for the year	0	-1.385
		0	**-1.385**

Notes

		2018	2017
		USD '000	USD '000
6	**Investment in subsidiaries**		
	Cost at 1 January	34.339	22.217
	Additions	12.202	12.122
	Cost 31 December	46.542	34.339
	Value adjustments at 1 January	0	0
	Adjustments/impairment	-13.717	0
	Value adjustments at 31 december	-13.717	0
	Carrying amount at 31 December	**32.825**	**34.339**

Investments in subsidiaries are specified as follows:

Name	Ownership	Place of registered office	Equity interest in tEUR**
RelyOn Caspian Safe	100%	Azerbaijan	-403
Nutec Belgium Holding B.V.B.A.	100%	Belgium	0
RelyOn Safety Services Belgium	100%	Belgium	1.846
RelyOn Safety Services Canada Ltd.	68%	Canada	2.053
RelyOn Nutec Ltd.	100%	United Kingdom	16.341
MSTS Asia Sdn Bhd	100%	Malaysia	5.648
Karma Jaya Sdn. Bhd.	100%	Malaysia	56
RelyOn Safety Services Nigeria Limited	51%	Nigeria	58
Safety Training*	49%	Nigeria	3.403
RelyOn Nutec B.V.	100%	Netherlands	-2.292
RelyOn Nutec AS	100%	Norway	3.088
RelyOn Nutec Trinidad and Tobago Limited	100%	Trinidad and Tobago	3.027

* For this company, the Group holds an equity interest of less than 50%. However, due to rights arising from shareholders' agreements, the Group has determined that it has control of the company, which is thus classified as subsidiary.
** As reported for group consolidation for BidCo RelyOn Nutec A/S, Denmark at year-end 2018.

7 Contingent liabilities and other financial obligations

Charges and security

Some of the investments in subsidiaries are placed as security toward debt of a parent Company: BidCo RelyOn Nutec A/S, Denmark

Contingent liabilities

The Netherlands group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

There are no other material security and contingent liabilitites at 31 December 2018.

Notes

8 Related parties

The Group is controlled by the following entities:

Immediate parent entity:	P-Holding RelyOn Nutec A/S, Denmark
Ultimate parent entity and controlling party:	Polaris Private Equity IV K/S, Denmark

All transactions with related parties have been carried out on arm's length terms.

The Company is included in the Consolidated Financial Statement of BidCo RelyOn Nutec A/S, Denmark.
The Consolidated Financial Statements can be obtained on the following addresses:
Kalvebod Brygge 45, 3rd floor, DK-1560 Copenhagen, Denmark

9 Subsequent events

There have been no material events after the balance sheet date.

Company Registration Number: 02786348

Falck Nutec Limited

Annual report and financial statements

for the year ended 31 December 2018

Falck Nutec Limited

Annual Report and financial statements 2018

Contents

Falck Nutec Limited

Officers and Professional Advisers

Directors

Mr S Strom
Mr C Leyden
Mrs L Kjellerup
Mr T Harring
Mr D Bonner (Appointed 24 April 2018)

Registered Office

Haverton Hill Industrial Estate
Billingham
Cleveland
TS23 1PZ
United Kingdom

Bankers

DNB NOR Bank ASA
20 Dunstan's Hill
London
EC3R 8HY
United Kingdom

Solicitors

Ledingham Chalmers
Johnstone House
52-54 Rose Street
Aberdeen
AB10 1HA
United Kingdom

Auditor

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom
NE1 2HF

Falck Nutec LimitedLtd

Strategic Report

Business review

Falck Nutec Ltd is a leading global offshore survival training firm, that has been training individuals for more than 20 years, having two training centres in the key energy hubs, Teesside and Aberdeen.

The company, which delivers realistic training in a safe and controlled environment using the most recent equipment and simulators, has strong industry expertise servicing the global oil and gas, shipping, renewable energy, military and aviation industries.

Falck Nutec Ltd was a division of the Nordic-based organisation Falck, which has a mission to train individuals to prevent accidents, disease and emergency situations and to offer rehabilitation support following illness or injury. During the year 2018 Falck sold the Safety Services Training Division, of which Falck Nutec Ltd is a part of, to a private equity firm call Polaris who are also based in Copenhagen.

The year ended 31 December 2018 continued to be a challenging economic environment for the oil and gas industry. The year was considered positive despite turnover decreasing by 5% to £12.1m (2017: £12.8m). There was an operating loss for the year of £0.23m (2017: Profit £0.24m) driven by a change in sales mix. Despite the fall the results remain robust and the business is well placed to return to growth.

The company uses a number of financial and non-financial Key Performance Indicators ('KPIs') to measure performance and these are reported to senior management in regular meetings. These KPIs include student numbers, fee income, and a number of health and safety and employee related KPIs. Falck continuously monitor these KPI's to help meet the objectives of the business. Management consider that the company has an effective measurement and reporting system, consistent with the company's size and complexity.

As far as financial performance is concerned, the key measurements used by the company are turnover and Operating Profit Before Interest, Taxes, Depreciation and Amortisation ('EBITDA'). For the year under review, turnover was £12.1m (2017: £12.8m) and EBITDA was £0.4m (2017: £0.9m).

A loss after tax of £208k (2017 : Profit £167k) was reported.

Net shareholders' funds have decreased from £14.4m to £14.2m during the year.

Falck Nutec Ltd is a private company limited by shares.

Principal risks and uncertainties

The company operates in a competitive market where continued growth is dependent on maintaining customer relationships and ensuring the company is able to offer new services to attract new customers.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Finance risk for the company is deemed low given the company has no external loans and has access to a Group facility as and when needed.

Falck has a very strong brand which is, to a great extent, the product of Falck operating in a number of high profile areas. The strong brand is of material importance to the parent Group's ability to retain and develop Falck's activities. There is consequently a very strong focus on ensuring that Falck operates morally and ethically and delivers a high quality service.

In assessing liquidity risk the directors monitor working capital closely and manage cash at a group level. The company has access to cash through an intercompany facility.

The impact of Brexit also presents a level of risk and uncertainty, but it is also, at this time, impossible to predict what effect of this will be on the company or its clients and industries of key focus.

Falck Nutec LimitedLtd

Strategic Report

Future outlook

It is believed that the economic pressures facing the industry will remain for the foreseeable future. Despite those pressures management has reviewed the future outlook and we remain positive that the business is well placed to continue on a positive path.

There have been no events noted post the balance sheet date

Approved by the Board of Directors

and signed on behalf of the Board

Mr D Bonner

Director

10 April 2019

Directors' report

The directors present their Annual Report and the audited financial statements for the year ended 31 December 2018.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors, who held office during the year or after, were as follows:

Mr S Strom (Appointed 28 January 2019)
Mr C Leyden
Mrs L Kjellerup (Resigned 17 December 2018)
Mr T Harring
Mr D Bonner (Appointed 24 April 2018)

Directors' indemnities

The Company made qualifying third party provisions for the benefit of its directors during the year which remain in force at the date of this report.

Financial risk, credit risk and liquidity risk have all been considered by the senior management. The risks are discussed in the strategic report.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least twelve months from the date of signing the financial statements. Thus they continue to adopt the going concern basis in preparing the financial statements. Consideration of going concern is included in the accounting policies on page 12.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an AGM.

Approved by the Board and signed on its behalf by:

Mr D Bonner

Director
10 April 2019

Directors' report

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 ''The Financial Reporting Standard applicable in the UK and Republic of Ireland''. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Falck Nutec Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Falck Nutec Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Falck Nutec Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent auditor's report to the members of Falck Nutec Limited (continued)

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul H Hewitson

Paul Hewitson (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Newcastle upon Tyne

10 April 2019

Falck Nutec Limited

Profit and loss account
For the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	12,145,595	12,802,402
Cost of sales		(8,253,538)	(8,552,700)
Gross profit		3,892,057	4,249,702
Administrative expenses		(4,122,975)	(4,005,138)
			-
Operating (Loss)/profit		(230,918)	244,564
Net investment income	4	39,673	48,661
(Loss)/Profit before taxation	5	(191,245)	293,225
Tax on (loss)/profit	9	(16,724)	(126,431)
(Loss)/profit and total comprehensive (loss)/income for the financial year attributable to the equity shareholders of the Company		(207,968)	166,794

All results were derived from continuing operations.

The notes form an integral part of the financial statements.

Falck Nutec Limited

Balance sheet
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	3,159,563	3,644,590
Investments	11	-	-
		3,159,563	3,644,590
Current assets			
Debtors	12	12,933,707	12,604,148
Cash at bank and in hand		406,714	594,921
		13,340,421	13,199,069
Creditors: amounts falling due within one year	13	(2,122,049)	(2,253,217)
Net current assets		11,218,372	10,945,852
Total assets less current liabilities		14,377,935	14,590,442
Provisions for liabilities	14	(158,882)	(163,419)
Net assets		14,219,053	14,427,023
Capital and reserves			
Called-up share capital	15	950,245	950,245
Profit and loss account		13,268,810	13,476,778
Shareholder's funds		14,219,055	14,427,023

The financial statements of Falck Nutec Limited (registered number 02786348) were approved by the board of directors and authorised for issue on 10 April 2019. They were signed on its behalf by:

The notes form an integral part of the financial statements.

Mr D Bonner

Director

Falck Nutec Limited

Statement of changes in equity
For the year ended 31 December 2018

	Note	Called up share capital £	Profit and loss account £	Total £
Balance as at 1 January 2017		950,245	13,309,984	14,260,229
Profit for the year and total comprehensive income			166,794	166,794
Balance as at 31 December 2017		950,245	13,476,778	14,427,023
Loss for the year and total comprehensive loss			(207,968)	(207,968)
Balance as at 31 December 2018		950,245	13,268,810	14,219,055

The notes form an integral part of the financial statements.

Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

Falck Nutec Limited is a private company limited by shares incorporated in England, United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Falck Nutec Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Falck Nutec Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Falck Nutec Limited is consolidated in the financial statements of its ultimate parent, Falck Safety Services Holding A/S, which may be obtained at Falck Safety Services Holding A/S, Kolvebod Brygge 45, 3rd Floor, DK – 1560 Copenhagen V, Denmark. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related party transactions.

Consolidation

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The consolidated financial statements of Falck Safety Services Holding A/S, within which this company is included, can be obtained from the address given in note 18.

Going concern

The company's business activities, together with the factors likely to affect its future development performance and position are set out in the Strategic report on page 2.

The company meets its working capital requirements through its own cash resources and operating cash flows. The current economic conditions create an element of uncertainty over demand for the company's services but the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available for a period of at least, but not limited to, 12 months from the date of signature of these financial statements. Therefore the directors believe that the company is well placed to manage its business risks successfully, despite the economic uncertainty.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for permanent diminution.

Notes to the financial statements (continued)
For the year ended 31 December 2018

1. Accounting policies (continued)

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold buildings	-	10-50 years
Fixtures & fittings	-	4 -5 years
Motor vehicles	-	4 years
Training equipment	-	4-10 years

Fixed assets are held at cost

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Financial assets

Financial assets are classified according to the substance of the contractual arrangements entered into.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Notes to the financial statements (continued)
For the year ended 31 December 2018

Turnover

Turnover represents amounts receivable in respect of training and medicals provided during the year, exclusive of Value Added Tax. Turnover is recognised on the first day a course commences.

Interest Income

Interest income is derived from an intercompany loan with Falck Safety Services A/S.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of services set out in FRS 102 Section 23 *Revenue* and, in particular, whether revenue has been earned. Revenue is recognised on the first day a training course commences which is the date at which the customer is fully liable for the training provided.

Key source of estimation uncertainty

There are no key sources of estimation uncertainty.

3. Turnover

An analysis of the Company's turnover by geographical market is set out below.

	2018 £	2017 £
Turnover:		
United Kingdom	9,466,163	10,219,208
Europe	1,669,028	1,593,593
Rest of world	1,010,404	989,601
	12,145,595	12,802,402

Notes to the financial statements (continued)
For the year ended 31 December 2018

3 Turnover (continued)

An analysis of the Company's revenue is as follows:

	2018 £	2017 £
Training services	11,460,924	12,067,111
Other Services	684,671	735,291
Turnover	12,145,595	12,802,402

4. Net investment income

	2018 £	2017 £
Income from fixed asset investments (note 11):		
Dividends received from subsidiary	-	519,315
Impairment of investment in subsidiary (note 11)	-	(519,315)
Interest received from Group undertakings	46,999	44,741
Bank interest	(7,323)	4,140
	39,673	48,661

5. (Loss)/profit before taxation

(Loss)/Profit before taxation is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets (note 10)	608,018	674,906
Operating lease rentals	450,787	416,082
Foreign exchange loss	13,972	24,892

6. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's financial statements were £35,000 (2017: £35,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

7. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2018 Number	2017 Number
Training related staff	33	32
Management and Administration	65	59
	98	91

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	3,798,636	3,436,165
Social security costs	395,884	363,985
Other pension costs (see note 17)	188,978	165,895
	4,383,498	3,966,045

8. Directors' remuneration and transactions

Directors' remuneration	2018 £	2017 £
Emoluments	118,921	148,513
Company contributions to money purchase pension schemes	7,164	12,082
	126,085	160,595
	Number	**Number**
The number of directors who:		
Are members of a money purchase pension scheme	1	1

Notes to the financial statements (continued)
For the year ended 31 December 2018

9. Tax on (loss)/profit

The tax charge comprises:

	2018 £	2017 £
Current tax on (loss)/profit		
UK corporation tax on profits for the period	18,259	141,797
Adjustment in respect of previous period	3,002	(1,140)
Total current tax	21,261	140,657
Deferred tax		
Origination and reversal of timing differences	15,284	(15,512)
Adjustment in respect of prior periods	(1,129)	1,084
Effect of changes in tax rates	(18,692)	202
Total deferred tax (see note 14)	(4,537)	(14,226)
Total tax on (loss)/profit	16,724	126,431

There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2018 £	2017 £
(Loss)/profit before taxation	(191,244)	293,225
Tax on (loss)/profit at standard UK corporation tax rate of 19% (2017: 19.25%)	(36,336)	56,446
Effects of:		
- Expenses not deductible for tax purposes	68,879	69,839
- Tax rate changes	(18,692)	202
- Adjustments to tax charge in respect of previous periods	1,873	(56)
Total tax charge for the year	16,724	126,431

The standard rate of tax applied to reported profit on ordinary activities is 19% (2017: 19.25%). The rate of tax has changed as a result of the Finance No 2 Act which reduced the corporation tax rate to 19% with effect from 1st April 2017. Finance Act 2016 further reduced the rate of corporation tax to 17% with effect from 1st April 2020. Accordingly deferred tax assets and liabilities at 31st December 2017 and 31st December 2018 have been calculated at the rate in force when timing differences are projected to reverse.

During the year beginning 1 January 2019 the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge by £23,750 as a result of the projected reversal of accelerated capital allowances and short term timing differences.

Notes to the financial statements (continued)
For the year ended 31 December 2018

10. Tangible fixed assets

	Leasehold buildings £	Fixtures and fittings £	Motor vehicles £	Training equipment £	Total £
Cost					
At 1 January 2018	6,342,135	779,712	43,941	3,163,440	10,329,228
Reclassification	40,958	85,682	9,285	(135,925)	-
Additions	-	82,982	-	45,853	128,835
Disposals	(3,225)	(259,097)	-	(307,923)	(570,245)
At 31 December 2018	6,379,868	689,279	53,226	2,765,445	9,887,818
Accumulated depreciation					
At 1 January 2018	3,671,758	650,903	22,616	2,339,361	6,684,638
Reclassification	7,857	119,942	9,285	(137,084)	-
Charge for the year	248,387	56,781	5,562	297,288	608,018
Disposals	(3,225)	(259,097)	-	(302,079)	(564,401)
Additions	-	-	-	-	-
At 31 December 2018	3,924,777	568,529	37,463	2,197,486	6,728,255
Net book value					
At 31 December 2018	2,455,091	120,750	15,763	567,959	3,159,563
At 31 December 2017	2,670,377	128,809	21,325	824,079	3,644,590

11. Fixed asset investments

	Shares in group undertakings £
Cost and net book value	
As at 31 December 2017	-
As at 31 December 2018	-

Notes to the financial statements (continued)
For the year ended 31 December 2018

12. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,805,722	2,031,157
Amounts owed by group undertakings	10,664,949	10,206,953
Corporation tax	96,941	161,762
Other debtors	166,400	30,203
Prepayments and accrued income	199,695	174,073
	12,933,707	12,604,148

The amounts owed by group undertakings include an amount of £10,437,945 (2017: £10,040,953) which represents surplus cash generated by the Company which is accessible as and when required and unsecured. This is in the form of an intercompany loan accruing interest at LIBOR plus 1.75%.

13. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	650,770	829,129
Amounts owed to group undertakings	167,000	223,327
Other taxation and social security	330,694	355,489
Other creditors	112,853	7,485
Accruals and deferred income	860,732	837,787
	2,122,049	2,253,217

The amounts owed to group undertakings results from transactions with companies within the Group and are payable on demand, not interest bearing and unsecured.

14. Provisions for liabilities

	Deferred taxation £
At 1 January 2018	163,419
Adjustment in respect of prior years	(1,129)
Deferred tax credit to income statement for period	(3,408)
	158,882

Notes to the financial statements (continued)
For the year ended 31 December 2018

14. Provisions for liabilities (continued)

Deferred tax

Deferred tax is provided as follows:

	2018 £	2017 £
Fixed asset timing differences	160,782	182,741
Short term timing differences	(1,900)	(19,322)
	158,882	163,419

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority.

15. Called-up share capital and reserves

	2018 £	2017 £
Allotted, called-up and fully-paid 950,245 ordinary shares of £1 each	950,245	950,245

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018			2017		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
- within one year	243,730	184,520	428,250	256,255	133,608	389,863
- between one and five years	508,542	164,507	673,049	646,272	191,830	838,102
- after five years	2,869,167	-	2,869,167	2,979,833	-	2,979,833
	3,621,439	349,027	3,970,466	3,882,360	325,438	4,207,798

17. Employee benefits

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2018 was £188,978 (2017: £165,895).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes to the financial statements (continued)
For the year ended 31 December 2018

18. Controlling party

Falck Safety Services Holding A/S is the ultimate parent company, and controlling party, incorporated in Denmark. The immediate parent is Falck Global Safety BV, incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is Falck Safety Services Holding A/S. The smallest group in which they are consolidated is that headed by Falck Safety Services Holding A/S, a company incorporated in Denmark with address Kolvebod Brygge 45, 3rd Floor, DK-1560, Copenhagen.

The consolidated financial statements of these groups are available to the public and may be obtained from the ultimate parent undertaking c/o Falck Holding A/S, Polititorvet 1, DK-17890 Copenhagen V, Denmark.

Company Registration Number: 02786348

Falck Nutec Limited

Annual report and financial statements

for the year ended 31 December 2017

Falck Nutec Limited

Annual Report and financial statements 2017

Contents

Falck Nutec Limited

Officers and Professional Advisers

Directors

Mr C Leyden
Mrs L Kjellerup
Mr T Harring

Registered Office

Haverton Hill Industrial Estate
Billingham
Cleveland
TS23 1PZ
United Kingdom

Bankers

DNB NOR Bank ASA
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United Kingdom

Solicitors

Ledingham Chalmers
Johnstone House
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Aberdeen
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United Kingdom

Auditor

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom
NE1 2HF

Falck Nutec Limited

Strategic Report

Business review

Falck Nutec Ltd is a leading global offshore survival training firm, that has been training individuals for more than 20 years, having two training centres in the key energy hubs, Teesside and Aberdeen.

The company, which delivers realistic training in a safe and controlled environment using the most recent equipment and simulators, has strong industry expertise servicing the global oil and gas, shipping, renewable energy, military and aviation industries.

Falck Nutec Ltd is a division of the Nordic-based organisation Falck, which has a mission to train individuals to prevent accidents, disease and emergency situations and to offer rehabilitation support following illness or injury. The firm has a vision to develop a major international organisation working within assistance, emergency, healthcare and safety services.

The year ended 31 December 2017 was considered positive given the difficult economic environment facing the oil and gas industry. Turnover increased by 3% to £12.8m (2016: £12.4m), driven by the consolidation of the dissolved Falck Onsite Limited numbers into current year figures. Comparing like for like Falck Nutec numbers, turnover has decreased. Operating profit decreased by 12% to £0.24m (2016: £0.28m) driven by a change in sales mix. Despite the fall the results remain robust and the business is well placed to continue through the problems facing the industry.

The company uses a number of financial and non-financial Key Performance Indicators ('KPIs') to measure performance and these are reported to senior management in regular meetings. These KPIs include student numbers, fee income, and a number of health and safety and employee related KPIs. Falck continuously monitor these KPI's to help meet the objectives of the business. Management consider that the company has an effective measurement and reporting system, consistent with the company's size and complexity.

As far as financial performance is concerned, the key measurements used by the company are turnover and Operating Profit Before Interest, Taxes, Depreciation and Amortisation ('EBITDA'). For the year under review, turnover was £12.8m (2016: £12.4m) and EBITDA was £0.9m (2016: £1m), excluding income from shares in group undertakings.

A profit after tax of £167k (2016 : £486k) was reported.

Net shareholders' funds have increased from £14.3m to £14.4m during the year.

Falck Nutec Ltd is a private company limited by shares.

Principal risks and uncertainties

The company operates in a competitive market where continued growth is dependent on maintaining customer relationships and ensuring the company is able to offer new services to attract new customers.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Finance risk for the company is deemed low given the company has no external loans and has access to a Group facility as and when needed.

Falck has a very strong brand which is, to a great extent, the product of Falck operating in a number of high profile areas. The strong brand is of material importance to the parent Group's ability to retain and develop Falck's activities. There is consequently a very strong focus on ensuring that Falck operates morally and ethically and delivers a high quality service.

In assessing liquidity risk the directors monitor working capital closely and manage cash at a group level. The company has access to cash through an intercompany facility.

Falck Nutec Limited

Strategic Report

Future outlook

It is believed that the economic pressures facing the industry will remain for the foreseeable future. Despite those pressures management has reviewed the future outlook and we remain positive that the business is well placed to continue on a positive path. Post year end management continues to identify and explore operating efficiencies for the business. A number of initiatives have already been implemented.

There have been no events noted post the balance sheet date

Approved by the Board of Directors
and signed on behalf of the Board

Colin Leyden
Director
1 March 2018

Falck Nutec Limited

Directors' responsibilities statement

The directors present their Annual Report and the audited financial statements for the year ended 31 December 2017.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors, who held office during the year and to the current date, were as follows:

Mr C Leyden
Mrs L Kjellerup
Mr T Harring

Financial risk, credit risk and liquidity risk have all been considered by the senior management. The risks are discussed in the strategic report.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Consideration of going concern is included in the accounting policies on page 12.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an AGM.

Approved by the Board and signed on its behalf by:

C Leyden

Colin Leyden

Director
1 March 2018

Falck Nutec Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 ''The Financial Reporting Standard applicable in the UK and Republic of Ireland''. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Falck Nutec Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Falck Nutec Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity: and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Falck Nutec Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report to the members of Falck Nutec Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

K Darlison

Kate Darlison (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Newcastle upon Tyne, United Kingdom

1 March 2018

Profit and loss account
For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	12,802,402	12,439,771
Cost of sales		(8,552,700)	(8,419,690)
Gross profit		4,249,702	4,020,081
Administrative expenses		(4,005,138)	(3,492,910)
Restructuring costs		-	(249,992)
Operating profit		244,564	277,179
Net investment income	4	48,661	340,794
Profit on ordinary activities before taxation	5	293,225	617,973
Tax on profit on ordinary activities	9	(126,431)	(132,369)
Profit and total comprehensive income for the financial year attributable to the equity shareholders of the Company		166,794	485,604

During the year, the Company incurred no items of other comprehensive income and thus a separate statement of other comprehensive income has not been prepared.

Falck Nutec Limited

Balance sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	3,644,590	4,136,756
Investments	11	-	519,315
		3,644,590	4,656,071
Current assets			
Debtors	12	12,604,148	12,776,358
Cash at bank and in hand		594,921	344,724
		13,199,069	13,121,082
Creditors: amounts falling due within one year	13	(2,253,217)	(3,339,276)
Net current assets		10,945,852	9,781,806
Total assets less current liabilities		14,590,442	14,437,877
Provisions for liabilities	14	(163,419)	(177,648)
Net assets		14,427,023	14,260,229
Capital and reserves			
Called-up share capital	15	950,245	950,245
Profit and loss account		13,476,778	13,309,984
Shareholders' funds		14,427,023	14,260,229

The financial statements of Falck Nutec Limited (registered number 02786348) were approved by the board of directors and authorised for issue on 1 March 2018. They were signed on its behalf by:

Colin Leyden

Director

Falck Nutec Limited

Statement of changes in equity
At 31 December 2017

	Note	Called up share capital £	Profit and loss account £	Total £
Balance as at 1 January 2016		950,245	17,229,439	18,179,684
Profit for the year and total comprehensive income		-	485,604	485,604
Adjustment to equity arising from the hive up of Falck Onsite Limited	11	-	(4,405,059)	(4,405,059)
Balance as at 31 December 2016		950,245	13,309,984	14,260,229
Profit for the year and total comprehensive income		-	166,794	166,794
Balance as at 31 December 2017		950,245	13,476,778	14,427,023

Notes to the financial statements
For the year ended 31 December 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

Falck Nutec Limited is a company incorporated in England, United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Falck Nutec Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Falck Nutec Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Falck Nutec Limited is consolidated in the financial statements of its ultimate parent, Falck Holding A/S, which may be obtained at Falck Holdings A/S Polititorvet, DK-1780 Copenhagen V, Denmark. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related party transactions.

Consolidation

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The consolidated financial statements of Falck Holding A/S, within which this company is included, can be obtained from the address given in note 18.

Going concern

The company's business activities, together with the factors likely to affect its future development performance and position are set out in the Strategic report on page 2.

The company meets its working capital requirements through its own cash resources and operating cash flows. The current economic conditions create an element of uncertainty over demand for the company's services but the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available for a period of at least, but not limited to, 12 months from the date of signature of these financial statements. Therefore the directors believe that the company is well placed to manage its business risks successfully, despite the economic uncertainty.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for permanent diminution.

Notes to the financial statements (continued)
For the year ended 31 December 2017

1. Accounting policies (continued)

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold buildings	-	10-50 years
Fixtures & fittings	-	4 -5 years
Motor vehicles	-	4 years
Training equipment	-	4-10 years

Fixed assets are held at cost

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Financial assets

Financial assets are classified according to the substance of the contractual arrangements entered into.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Turnover

Turnover represents amounts receivable in respect of training and medicals provided during the year, exclusive of Value Added Tax. Turnover is recognised on the first day a course commences.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of services set out in FRS 102 Section 23 *Revenue* and, in particular, whether revenue has been earned. Revenue is recognised on the first day a training course commences which is the date at which the customer is fully liable for the training provided.

Key source of estimation uncertainty

There are no key sources of estimation uncertainty.

3. Turnover

An analysis of the Company's turnover by geographical market is set out below.

	2017	2016
	£	£
Turnover:		
United Kingdom	10,219,208	10,019,662
Europe	1,593,593	1,583,700
Rest of world	989,601	836,409
	12,802,402	12,439,771

Notes to the financial statements (continued)
For the year ended 31 December 2017

3 Turnover (continued)

An analysis of the Company's revenue is as follows:

	2017 £	2016 £
Training services	12,067,111	11,486,673
Other Services	735,291	953,098
Turnover	12,802,402	12,439,771

4. Net investment income

	2017 £	2016 £
Income from fixed asset investments (see note 11):		
Dividends received from subsidiary	519,315	300,000
Impairment of investment in subsidiary (see note 11)	(519,315)	-
Other interest receivable and similar income	48,661	40,794
	48,661	340,794

5. Profit on ordinary activities

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets (note 10)	674,906	702,353
Operating lease rentals	416,082	318,738
Foreign exchange (gain)/loss	24,892	51,879

6. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's financial statements were £35,000 (2016: £25,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

Notes to the financial statements (continued)
For the year ended 31 December 2017

7. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2017 Number	2016 Number
Training related staff	32	26
Management and Administration	59	52
	91	78

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	3,436,165	2,433,793
Social security costs	363,985	248,832
Other pension costs (see note 17)	165,895	119,689
	3,966,045	2,802,314

8. Directors' remuneration and transactions

Directors' remuneration	2017 £	2016 £
Emoluments	148,513	131,950
Company contributions to money purchase pension schemes	12,082	11,845
	160,595	143,795
	Number	**Number**
The number of directors who:		
Are members of a money purchase pension scheme	1	1

Notes to the financial statements (continued)
For the year ended 31 December 2017

9. Tax on profit on ordinary activities

The tax charge comprises:

	2017 £	2016 £
Current tax on profit on ordinary activities		
UK corporation tax on profits for the period	141,797	156,908
Adjustment in respect of previous period	(1,140)	(5,913)
Total current tax	140,657	150,995
Deferred tax		
Origination and reversal of timing differences	(15,512)	(21,131)
Adjustment in respect of prior periods	1,084	1,525
Effect of changes in tax rates	202	980
Total deferred tax (see note 14)	(14,226)	(18,626)
Total tax on profit on ordinary activities	126,431	132,369

There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2017 £	2016 £
Profit on ordinary activities before tax	293,225	617,973
Tax on profit on ordinary activities at standard UK corporation tax rate of 19.25% (2016: 20%)	56,446	123,595
Effects of:		
- Expenses not deductible for tax purposes	69,839	72,182
- Income not taxable in determining taxable profit	-	(60,000)
- Tax rate changes	202	980
- Adjustments to tax charge in respect of previous periods	(56)	(4,388)
Total tax charge for period	126,431	132,369

The standard rate of tax applied to reported profit on ordinary activities is 19.25% (2016 20%). The rate of tax has changed as a result of Finance No 2 Act which reduced the corporation tax rate to 19% effective from 1 April 2017. Finance Act 2016 contains provisions to further reduce the rate of corporation tax to 17% with effect from 1 April 2020. Accordingly deferred tax assets and liabilities at 31 December 2016 and 31 December 2017 have been calculated at the rates expected to be in force when the timing differences were projected to reverse.

During the year beginning 1 January 2018 the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge by £14,100 as a result of the projected reversal of accelerated capital allowances and short term timing differences.

Notes to the financial statements (continued)
For the year ended 31 December 2017

10. Tangible fixed assets

	Leasehold buildings	Fixtures and fittings	Motor vehicles	Training equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2017	6,313,915	738,890	60,441	3,088,804	10,202,050
Additions	28,220	40,822	22,250	91,536	182,828
Disposals	-	-	(38,750)	(16,900)	(55,650)
At 31 December 2017	6,342,135	779,712	43,941	3,163,440	10,329,228
Accumulated depreciation					
At 1 January 2017	3,424,500	592,078	60,438	1,988,277	6,065,293
Charge for the year	247,258	58,825	928	367,984	674,995
Disposals	-	-	(38,750)	(16,900)	(55,650)
At 31 December 2017	3,671,758	650,903	22,616	2,339,361	6,684,638
Net book value					
At 31 December 2017	2,670,377	128,809	21,325	824,079	3,644,590
At 31 December 2016	2,889,415	146,812	3	1,100,527	4,136,756

11. Fixed asset investments

	Shares in group undertakings
	£
Cost and net book value	
As at 31 December 2016	519,315
Impairment of investment in subsidiary	(519,315)
At 31 December 2017	-

On 31st December 2016 the trade and assets of the company's 100% owned subsidiary, Falck Onsite Limited, were hived up into this company at book value. As part of the hive up, and after receipt of a dividend of £300,000 from Falck Onsite Limited, the investment held at cost and net book value of £4,924,374 by Falck Nutec Limited was reduced to £519,315, representing the remaining net assets of Falck Onsite Limited. During the year ending 31st December 2017 this amount was received via a dividend representing the remaining Falck Onsite Limited net assets and hence the investment in subsidiary is fully impaired.

Notes to the financial statements (continued)
For the year ended 31 December 2017

12. Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,031,157	2,903,545
Amounts owed by group undertakings	10,206,953	9,060,210
Corporation tax	161,762	562,333
Other debtors	30,203	54,652
Prepayments and accrued income	174,073	195,618
	12,604,148	12,776,358

The amounts owed by group undertakings include an amount of £10,040,953 (2016: £8,975,210) which represents surplus cash generated by the Company which is accessible as and when required. This is in the form of an intercompany loan accruing interest at LIBOR plus 1.75%.

13. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	829,129	1,038,862
Amounts owed to group undertakings	223,327	852,315
Corporation tax	-	-
Other taxation and social security	355,489	379,716
Other creditors	7,485	3,074
Accruals and deferred income	837,787	1,065,309
	2,253,217	3,339,276

14. Provisions for liabilities

	Deferred taxation £
At 1 January 2017	177,648
Adjustment in respect of prior years	1,084
Deferred tax credit to income statement for period	(15,313)
	163,419

Notes to the financial statements (continued)
For the year ended 31 December 2017

14. Provisions for liabilities (continued)

Deferred tax

Deferred tax is provided as follows:

	2017 £	2016 £
Fixed asset timing differences	182,741	195,580
Short term timing differences	(19,322)	(17,932)
	163,419	177,648

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority.

15. Called-up share capital and reserves

	2017 £	2016 £
Allotted, called-up and fully-paid		
950,245 ordinary shares of £1 each	950,245	950,245

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 Land and buildings £	2017 Other £	2016 Land and buildings £	2016 Other £
- within one year	256,255	133,608	138,506	47,908
- between one and five years	646,272	191,830	398,039	17,910
- after five years	2,979,833	-	2,710,023	-
	3,882,360	325,438	3,246,568	65,818

17. Employee benefits

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2017 was £165,895 (2016: £119,689).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes to the financial statements (continued)
For the year ended 31 December 2017

18. Controlling party

Falck Holding A/S is the ultimate parent company, and controlling party, incorporated in Denmark. The immediate parent is Falck Global Safety BV, incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by Falck A/S. The smallest group in which they are consolidated is that headed by Falck Danmark A/S, a company incorporated in Denmark with address Polititorvet 1, DK-17890 Copenhagen V, Denmark

The consolidated financial statements of these groups are available to the public and may be obtained from the ultimate parent undertaking c/o Falck Holding A/S, Polititorvet 1, DK-17890 Copenhagen V, Denmark.

RelyOn Nutec Netherlands B.V.

Registration number 28102589

Special Purpose Financial Statements for 2018

Contents

Company information

The Company	RelyOn Nutec Netherlands B.V. Beerweg 71 Maasvlakte Rotterdam, 3199 LM The Netherlands	
	Registration Number:	28102589
	Financial year:	1 January – 31 December
	Jurisdiction of reg. office:	Maasvlakte Rotterdam
Ownership	The Company is fully owned by: RelyOn Nutec Holding B.V. Registration Number 33292839 Beerweg 71 Maasvlakte Rotterdam, 3199 LM The Netherlands	
Board of Directors *(Of the Parent Company)*	Torben Harring Søren Strøm	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup Denmark	

Management's Statement on the Special Purpose Financial Statements

The board of directors has today considered and adopted the Special Purpose Financial Statements of RelyOn Nutec Netherlands B.V. for the financial year 1 January - 31 December 2018.

The Special Purpose Financial Statements are prepared in accordance with the accounting policies set out in note 1. We consider the accounting policies applied appropriate and the accounting estimates reasonable.

In our opinion, the Special Purpose Financial Statements have in all material respects been prepared in accordance with the accounting policies set out in note 1 and give a fair presentation of the financial position at 31 December 2018 of the Company and of the results of the Company's operations for 2018.

No events have occurred after 31 December 2018 that have a material effect of the Company's financial position at 31 December 2018.

9 September 2019

Board of directors

Torben Harring
RelyOn Nutec Holding B.V.

Søren Strøm
RelyOn Nutec Holding B.V.

Independent Auditor’s Report

To the shareholders of RelyOn Nutec Netherlands B.V.

Opinion

In our opinion, the Special Purpose Financial Statements for 2018 of RelyOn Nutec Netherlands B.V. (the Company) are prepared, in all material respects, in accordance with the accounting policies set out in note 1.

We have audited

The Special Purpose Financial Statements of the Company comprise:

- income statement for the financial year 2018,
- balance sheet as of 31 December 2018,
- statement of changes in equity for 2018, and
- notes to the Special Purpose Financial Statements, which include a summary of significant accounting policies.

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 Special Purpose 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.

Emphasis of Matter – Basis of accounting and Restriction on distribution and use

We draw attention to note 1 to the Special Purpose Financial Statements, which describes the basis of accounting and that the Special Purpose Financial Statements are prepared by Management for the sole purpose of fulfilling BidCo RelyOn Nutec A/S’, Denmark obligations towards the Financial Supervisory Authority of Norway to prepare Special Purpose Financial Statements for guarantors and may therefore not be suitable for any other purposes.

Our Report has been prepared solely for use by the Company and the Financial Supervisory Authority of Norway and should not be distributed to or used by any other parties. Our opinion is not modified in respect to this matter

Management's Responsibility for the Special Purpose Financial Statements
Management is responsible for the preparation and fair presentation of the Special Purpose Financial Statements in accordance with the accounting policies set out in note 1, 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 Special Purpose 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 Special Purpose Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements
Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 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 Special Purpose Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 Special Purpose 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 Special Purpose 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.

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.

Hellerup, 9. September 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Income Statement 1 January - 31 December

	Note	2018
		EUR '000
Revenue		8.017
Direct cost		-1.794
Gross profit		**6.223**
Employee costs	3	-4.542
Other external expenses		-2.655
Other operating income and expenses		0
Operating profit		**-974**
Amortization and depreciation	6,7,8	-1.233
Profit before financial items		**-2.207**
Financial expenses	4	-615
Profit before tax		**-2.822**
Tax on profit for the year	5	-416
Profit/loss for the year		**-3.238**

Statement of Comprehensive Income 1 January - 31 December

	2018
	EUR '000
Profit/loss for the year	-3.238
Comprehensive income	**-3.238**

Balance Sheet at 31 December

Assets

	Note	2018
		EUR '000
Competition right		2.013
Intangible fixed assets	6	**2.013**
Land and buildings	7	5.700
Equipment	7	2.106
Right-of-use assets	8	805
Property, plant and equipment		**8.611**
Non-current assets		**10.624**
Deferred tax	9	194
Receivables from group companies		2.130
Trade receivables		2.025
Other receivables prepayments		256
Receivables		**4.606**
Cash at bank and in hand		419
Current assets		**5.025**
Assets		**15.649**

Balance Sheet at 31 December

Equity and liabilities

	Note	2018
		EUR '000
Equity		**3.928**
Long term lease liabilities (Due after 5 years: EUR 1.898 k)		3.624
Non-current liabilities		**3.624**
Short term lease liabilities		403
Payables to group companies		5.293
Trade payables		1.117
Payroll liabilities		496
Other payables		788
Current liabilities		**8.097**
Liabilities		**11.721**
Equity and liabilities		**15.649**
Going Concern	2	
Contingent liabilities and other financial obligations	10	
Related parties	11	
Subsequent events	12	

Statement of Changes in Equity 1 January - 31 December

	Share capital	Retained earnings	Total
	EUR '000	EUR '000	EUR '000
Equity at 1 January	18	8.476	8.494
Adjustment*	0	-1.328	-1.328
Comprehensive income for the year	0	-3.238	-3.238
Equity at 31 December	**18**	**3.911**	**3.928**

*Adjustment to group policy regarding competition right and leased assets/liabilities.

Notes

1 Accounting Policies

The Special Purpose Financial Statements are prepared for the sole purpose of fulfilling the requirement from the Financial Supervisory Authority of Norway (and the Oslo Stock Exchange) regarding the application for admission to the listing of the BidCo RelyOn Nutec A/S`s bonds on the Oslo Stock Exchange.

The Special Purpose Financial Statements for 2018 are prepared in accordance with the accounting policies set out below. The disclosure and presentation requirements have been established by the Management. The Special Purpose Financial Statements may therefore not be suitable for any other purposes than the above listed.

The Special Purpose Financial Statements for 2018 are presented in EUR, which is the functional currency of the Company. The Special Purpose Financial Statements are prepared on a historical cost basis.

Income statement

Revenue
The Company generates revenue from delivering of safety training services to its customers within the oil and gas, wind and maritime industry globally.

Revenue from providing services is recognized in the accounting period in which the services are rendered.

The activity is pay-per-use, and the payment terms for customers are 30-60 days, and invoicing is shortly after completion of courses.

If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized. A receivable is recognized when the receipt of payment is conditional on passage of time only.

Where another party is involved in providing the services to the customer, the Company assesses on a contract by contract basis, whether the Company is acting as a principal or as an agent. The Company is acting as a principal when the nature of its promise is a performance obligation to provide the specified services itself. On the contrary the Company is acting as an agent when it is arranging for the services to be provided by the other party.

When the Company obtains control over the specified service before it is transferred to the customer, it is a principal and thus recognizes revenue on a gross basis. When the Company is acting as an agent, the commission rather than the gross income is recognized as revenue.

Direct costs
Cost of sales comprise expenses for related to course material and subcontractors.

Notes

Employee costs

Employee costs comprise wages and salaries as well as expenses for payroll & pensions and other staff related expenses.

Other external expenses

Other external costs comprise expenses for premises, marketing, external consultancy, office expenses etc.

Financial income and expenses

Financial income and expenses represent interest income and interest expense, realized and unrealized exchange rate gains and losses and amortization related to financial assets and liabilities. Financials are recognized at the amounts related to the year.

Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortization and impairment losses.

Amortization are calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives as follows:

Competition right	11 years

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes direct costs related to the asset and the initial estimate of the costs related to dismantling and removing the item and restoring the site on which it is located, if the costs meet the definition of a liability. Cost further includes borrowing costs from specific and general borrowings directly relating to the acquisition, construction or development of the individual qualifying asset during the period that is required to complete and prepare the asset for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

Depreciations are calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives, as follows:

Notes

Land and buildings:	25 - 30 years
Equipment:	3 - 10 years
Right-of-use assets	11 years
Leasehold improvements:	Term of lease
Land:	Not depreciated

The residual value and useful life is determined at the date of acquisition and revalued each year. Where the residual value exceeds the carrying amount, the asset ceases to be depreciated.

Gains and losses on the disposal or scrapping of property, plant and equipment are determined as the difference between the sales price less dismantling, selling and re-establishing costs and the carrying amount. Gains and losses are recognized in the income statement as other operating income and external expenses, respectively.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life, as described above, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Each year, the assets are reviews in order to assess, whether there are any indicators of impairment.

Impairment of fixed assets
The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

Trade receivables
On initial recognition, receivables are measured at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost.

Trade receivables and contract assets are written down for expected credit losses.

Provisions
Provisions are recognized when, as a consequence of an event occurring before or on the balance sheet date, the Company has a legal or constructive obligation and it is probable that an outflow of resources will be required to settle the obligation. The amount recognized as a provision is Management's best estimate of the present value of expenses required to settle the obligation.

Provisions for restructuring are recognized when a detailed, formal plan for the restructuring has been made before or on the balance sheet date and has been announced to the parties involved.

A provision for onerous contracts is made when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Financial debts
Debts are measured at amortised cost, substantially corresponding to nominal value.

Notes

Leases (Right-of-use assets and lease liabilities)
Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company. The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement. All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

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 realized, 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 utilize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Notes

2 Going Concern

The Company has received a Letter of Support and Subordination from its Parent Companies in Denmark, BidCo RelyOn Nutec A/S and RelyOn Nutec Holding A/S insuring the required funding of its future operation until 31 December 2020. Furthermore, the Parent Companies will subordinate their receivables in favour of other creditors of the Company.

Management has on this basis prepared the Financial Statements on a going concern basis.

3 Employee costs

	2018
	EUR '000
Wages and salaries	3.816
Pension, insurance and other social expenses	726
Other staff expenses	0
	4.542
Average number of full-time employees	**61**

4 Financial expenses

Interest expenses	615
	615

5 Tax on profit for the year

Current tax on profit for the year	416
	416

6 Intangible assets

	Competition right	**Total**
	EUR '000	**EUR '000**
Cost at 1 January	0	**0**
Adjustment to group policy	2.215	**2.215**
Cost at 31 December	**2.215**	**2.215**
Depreciation at 1 January	0	**0**
Depreciation and writedown for the year	201	201
Depreciation at 31 December	**201**	**201**
Carrying amount at 31 December	**2.013**	**2.013**
Depreciated over	**11 years**	

Notes

7 Property, plant and equipment

	Land and buildings	Equipment	Land & buildings under construction	**Total**
	EUR '000	EUR '000	EUR '000	**EUR '000**
Cost at 1 January	4.266	21.488	2.070	**25.754**
Additions for the year	3.756	1.073	0	**4.829**
Disposals for the year	-879	-1.621	0	**-2.499**
Transfer	2.070	0	-2.070	**0**
Cost at 31 December	**9.214**	**20.940**	**0**	**30.154**
Depreciation at 1 January	3.860	19.297	0	**23.157**
Depreciation and	149	802	0	**951**
Disposals for the year	-495	-1.265	0	**-1.760**
Depreciation at 31 December	**3.513**	**18.834**	**0**	**22.348**
Carrying amount at 31 December	**5.700**	**2.106**	**0**	**7.806**
Depreciated over	**25-30 years**	**3-10 years**	**N/A**	

8 Right-of-use assets

	Equipment	**Total**
	EUR '000	**EUR '000**
Cost at 1 January	0	**0**
Adjustment to group policy	886	**886**
Cost at 31 December	**886**	**886**
Depreciation at 1 January	0	**0**
Depreciation and writedown for the year	81	81
Depreciation at 31 December	**81**	**81**
Carrying amount at 31 December	**805**	**805**
Depreciated over	**11 years**	

Notes

9 Deferred tax

The Company is part of a joint taxation in the Netherlands. The joint taxation has a recognised tax asset of EUR 194k.

10 Contingent liabilities and other financial obligations

Charges and security
The are no assets which have been placed as security with credit institutions.

Contingent liabilities
The Netherlands group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

There are no other material security and contingent liabilitites at 31 December 2018.

11 Related parties

The Group is controlled by the following entities:

Immediate parent entity:	RelyOn Nutec Holdings B.V., The Netherlands
Ultimate parent entity and controlling party:	Polaris Private Equity IV K/S, Denmark

All transactions with related parties have been carried out on arm's length terms.

The Company is included in the Consolidated Financial Statement of BidCo RelyOn Nutec A/S, Denmark. The Consolidated Financial Statements can be obtained on the following addresses: Kalvebod Brygge 3rd, floor, DK1560 Copenhagen, Denmark.

12 Subsequent events

The Company is expected to merge with RelyOn Nutec B.V. as of 1 January 2019. No other events have occured after year-end 2018, which have a significant effect on the financial position of the Company.

RelyOn Nutec Netherlands B.V.

(formerly Falck Nutec B.V.)

2017 Annual Accounts

For identification purpose only.
Related to auditor's report
dated ....6 SEP 2019..........

Contents

For identification purpose only
Related to auditor's report
dated 6 SEP 2019

Directors' report

Management of RelyOn Nutec Netherlands B.V. (hereafter referred to as "the Company") hereby presents its financial statements for the financial year ended on 31 December 2017.

The company's continued ambition is to help create a high level of more (standardized) quality and (fire) safety training worldwide. RelyOn Nutec strives to help develop new training methods and technologies in this field, including training on client locations, on board offshore installations and vessels, e-learning services, and use of simulator training. All these activities reflect the latest requirements from both customers and regulatory authorities.

All services of RelyOn Nutec in The Netherlands are dedicated to securing, maintaining and where necessary restore safety. We do this from the starting point of *people helping people.* Based on this mission, the vision of RelyOn Nutec in The Netherlands to a broad and deep portfolio is to offer specialized services around the theme of safety in all market segments.

The year 2017 was a dynamic year, after changes in the organization, reduced headcount the Company continued to focus on delivering high quality maritime trainings and scenario based training products which had been developed in prior years. We also continued our focus on operational efficiency and cost awareness preparing the company in reaction to the continued slowdown in the oil and gas and the maritime markets. 2017 also saw the development of an number of new products and revenue streams which we expect to benefit from in 2018 and subsequent years. The company is gradually more focusing on the maritime industry as one of the Companies new strategy and also manage their market risks.

Credit risk represents the loss that would be recognized as per reporting date, if counterparties failed completely to perform their payment obligations as contracted.

Approximately 80% of the trade receivables as per balance date consist of debtors that have been outstanding for 30 days or less. The provision for bad debts is determined by individual assessment of the debtors.

In order to minimize the credit risk, a reminder procedure is maintained on a periodic basis whereby there is the possibility of calling in a collection agency. There is no payment collection system, debtors pay the outstanding items independently.

For customers where it is clear that they are in serious financial difficulties, or where payment agreements are significantly exceeded, a specific provision is made for the amount that may no longer be collectable.

When there is no reasonable expectation that trade receivables will still be paid, they are written off. Due to the large spread over the customers and the short payment terms, the credit risk in relation to the deliveries is considered relatively limited. The company has not taken out a credit insurance. The debtor position as per balance sheet date contains a large amount of various debtors. At the end of 2017 the debtors receivables amount to a total of € 1.299.000, which includes a provision for bad debts of € 217.000.

Financial

Total revenue has decreased as compared to the previous year mainly due to the slowdown in the oil and as market, however, our cost base also reduced considerably during the year which has allowed us to increase our profitability in this period.

Risks

The company tries to limit risks as much as possible. For risks related to financial aspects of the company we refer to page 19 of the financial statements. Risks related to employees are mentioned below.

Employees

One of the Company's key assets is its employees, and continuing to upgrade their skills through on-the-job training, participation in courses, and self-motivated development helps create both job satisfaction and results.

On this basis, the Company is committed to continually improve job satisfaction and health in the workplace. Health and safety at work is a natural part of the day-to-day activities of all RelyOn Nutec employees, as their efforts to save lives, prevent injuries and help others requires that they are not injured in the process. The safety of employees and customers is crucial and a top priority, and management maintains a constant focus on safety in the workplace as well. The Company is aware that its business activities involve special risks. To provide the best and most realistic training and to ensure that course participants learn how to act in crisis situations, the training scenarios are as realistic as possible, which naturally involves risk to RelyOn Nutec employees as well as course participants. For this reason, the Company uses special systems to control and reduce this risk.

Subsequent events

With effect as of 20th of September 2018, RelyOn Nutec Netherlands B.V. and RelyOn Nutec Holding B.V. were sold by their shareholder and acquired for 100% by RelyOn Nutec Holding A/S (Denmark).
Due to this, the name of the entity has been changed as of the 23th of January 2019 from Falck Nutec B.V. to RelyOn Nutec Netherlands B.V.

Future

The Company continues to focus on new businesses and the improvements in its facilities, in 2018 RelyOn Nutec Netherlands B.V. moved to their new facility in Rotterdam. The Company will continue its focus on operational efficiencies and cost awareness in the year ahead as well developing new products in order to prepare for future profitable growth. In order to further minimize the external (financial) risks, financial dependency on certain industries and clients, we are now developing new products and entering new markets. By doing this, we are expecting to serve a broader (inter)national client base, and are confident that this will financially benefit on the mid and long term.

With respect to the number of employees we do not expect significant future changes compared to prior year. Future investments will mainly relate to investments as part of the normal course of business.

We will coordinate our efforts and services to the benefit of our clients, employees and shareholders.

Rotterdam, 6 September 2019

Board of Directors,

Torben Harring
RelyOn Nutec Holding B.V.

Søren Strøm
RelyOn Nutec Holding B.V.

For identification purpose only.
Related to auditor's report
dated 6 SEP 2019

Financial statements

Balance sheet as at 31 December 2017

(before proposed appropriation of result)

	2017		2016	
	EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Fixed assets				
Tangible fixed assets	**4,954**		4,226	
Financial fixed assets	**231**		57	
		5,185		4,283
Current assets				
Inventories	**133**		119	
Trade debtors	**1,299**		2,292	
Group receivables	**2,739**		4,914	
Other accounts receivable, accrued income and prepaid expenses	**614**		518	
Cash and cash equivalents	**510**		479	
		5,295		8,322
Total assets		**10,480**		12,605
Shareholders' equity				
Issued and paid-up capital	**18**		18	
Share premium	**740**		740	
Retained earnings	**5,528**		5,053	
Unappropriated result	**2,208**		475	
		8,493		6,286
Provisions		**275**		275
Non-current liabilities		**0**		0
Current liabilities		**1,712**		6,044
Total liabilities and shareholders' equity		**10,480**		12,605

Profit and loss account for the year ended 31 December 2017

	2017		2016	
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Net turnover		9,927		15,549
Costs of raw materials and consumables	1,942		3,290	
Costs of work contracted out and other external costs	521		747	
Wages, salaries and social security charges	5,151		7,552	
Depreciation on tangible fixed assets	1,537		1,554	
Impairment of intercompany receivables	-1585		-618	
Other operating expenses	2,460		2,575	
Total operating expenses		10,026		15,100
Operating result		-99		449
Interest income and expenses		-20		-22
Result from ordinary activities before taxation		-119		426
Taxation on result from ordinary activities		2327		48
Book profit on sale of participations		-		-
Share in result of participations		-		-
Result after taxes		2,208		475

For identification purpose only.
Related to auditor's report
dated 6 SEP 2019

Accounting policies

General

RelyOn Nutec Netherlands B.V. (hereafter referred to as "the Company", number Chamber of Commerce 28102589), was incorporated on December 20, 2004 and is statutory seated at Beerweg 101, 3199 LM Maasvlakte-Rt. The Company is a private limited company, where 100% of the shares are held by RelyOn Nutec Holding B.V. The Company is, indirectly, a subsidiary of RelyOn Nutec Holding A/S and, as such, has inter-company transactions with the RelyOn Nutec Group of companies.

The Company is active in the field of offshore/maritime safety activities (training courses, emergency response).

Based on the exemption provided by Article 408, Book 2 of the Dutch Civil Code, the Financial Statements of the Company do not comprise consolidated figures and a cash flow statement. Reference is made to the Annual Report 2017 of RelyOn Nutec Holding A/S as filed with the Chamber of Commerce in Rotterdam.

With effect as of 20th of September 2018, RelyOn Nutec Netherlands B.V. and RelyOn Nutec Holding B.V. were sold by their shareholder and acquired for 100% by RelyOn Nutec Holding A/S (Denmark).
Due to this, the name of the entity has been changed as of the 23th of January 2019 from Falck Nutec B.V. to RelyOn Nutec Netherlands B.V.

Applicable standards

The financial statements are prepared on the basis of the legal requirements as set out in part 9 of Book 2 of the Netherlands Civil Code.

Principles for valuation

General

The principles adopted for the valuation of assets and liabilities and determination of the result are based on historical costs.

If not stated otherwise, assets and liabilities are shown at nominal value.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is disclosed in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable or cannot be measured with sufficient reliability.

The income and expenses are accounted for in the period to which they relate. Revenue is recognized when the company has transferred to the buyer the significant risks and rewards of ownership of the goods.

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

Financial instruments

Financial instruments include investments in trade and other receivables, cash items, loans and other financing commitments, trade and other payables.

Financial instruments also include derivative financial instruments (derivatives) embedded in contracts. These derivatives are not separated from the host contract by the company and are therefore recognized in accordance with the host contract.

Financial instruments are initially recognized at fair value. If instruments are not carried at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement.

After initial recognition, financial instruments are valued in the manner described below.

Financial instruments held for trading purposes

Financial instruments (assets and liabilities) that are held for trading purposes are carried at fair value and changes in the fair value are recognized in the profit and loss account. In the first period of recognition, attributable transaction costs are charged to the profit and loss account.

Loans granted and other receivables

Loans granted and other receivables are carried at amortized cost using the effective interest method, less impairment losses.

Cash

For identification purpose only.
Related to auditor's report
dated 6 SEP 2018

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

Long-term and short-term liabilities

Upon initial recognition, the loans and liabilities recorded are stated at fair value and then valued at amortized cost.

Other financial commitments

Financial commitments that are not held for trading purposes are carried at amortized cost using the effective interest rate method.

Foreign currency transactions

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the balance sheet date at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

Tangible fixed assets

The tangible fixed assets are included at historical costs, less straight-line depreciation and, if applicable, less impairments in value. The straight-line depreciation is based on the estimated economic useful life of the related asset.

Tangible fixed assets are capitalized if the economic ownership held by the company, and its group companies, is governed by a financial lease agreement. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement. Costs for periodical major maintenance are charged to the result at the moment they arise.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of net asset value.

The net asset value is calculated on the basis of the accounting principles of the company. Participating interests with a negative net asset value are valued at nil. In the case that the company guarantees for the debts of the respective participating interest, a provision is recognized. This provision is primarily recognized to the debit of the receivables on the respective participating interest and for the remainder presented under provisions for the part of the share of the losses incurred by the participating interest, or for the estimated payments by the company on behalf of these participating interests.

Deferred tax assets involve temporary differences between the commercial and fiscal capital and are calculated according to the corporation tax rate applicable as at balance sheet date. In addition a deferred tax asset is recognized for fiscal losses that are likely to be offset with future taxable profits.

Impairment or disposal of fixed assets

The company states tangible and financial fixed assets in accordance with accounting principles generally accepted for financial reporting in the Netherlands. Pursuant to these principles, assets with a long life should be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets' recoverable amount is estimated. The recoverable amount is calculated as the present value of estimated future cash flows, discounted at the effective interest rate.

If the book value of an asset exceeds the recoverable amount, an impairment is charged to the result equal to the difference between the carrying amount and the recoverable amount. Assets for sale are stated at the carrying amount or lower market value, less selling costs.

Inventories

Inventories of raw materials, consumables and goods for resale are valued at acquisition price or lower net realizable value using FIFO. This lower net realizable value is determined by individual assessment of the inventories.

Receivables, cash at banks and in hand and current liabilities

The principles for the valuation of trade and other receivables and of current liabilities are described under the heading 'financial instruments'.

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the legal form are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the legal form are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognized in the profit and loss as financial income or expense.

Provisions

When the Company is under an obligation to dismantle an asset or re-establish the site where the asset has been used, a provision is made corresponding a straight-line build-up based on the value of the expected future costs.

Employee benefits/pensions

The Dutch plans are financed through contributions to pension providers, i.e., insurance companies. The pension obligations are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the group and are included in a provision on the balance sheet. With final salary pension plans an obligation (provision) for (upcoming) past service is included if future salary increases have already been defined as at balance sheet date.

The valuation of the obligation is the best estimate of the amounts required to settle this as at balance sheet date. If the effect of the time value of money is material the obligation is valued at the present value. Discounting is based on interest rates of high-quality corporate bonds.

Additions to and release of the obligations are recognized in the profit and loss account. A pension receivable is included in the balance sheet when the group has the right of disposal over the pension receivable and it is probable that the future economic benefits which the pension receivable holds will accrue to the group, and the pension receivable can be reliably established.

As at year-end 2017 (and 2016) no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution due to the pension provider.

Non-current and current liabilities

Upon initial recognition, the loans and liabilities recorded are stated at fair value and then valued at amortized cost.

Principles for determination of the result

With due regard to the valuation of assets and liabilities, the principles for the determination of result are as follows:

Net-turnover

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

Costs of sales

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect costs that can be attributed to the courses.

Wages and salaries

Wages and salaries and social security charges include the gross wages paid to the company's own personnel, holiday pay, remuneration, allowances, the legal social security contributions payable to the industrial insurance board and the tax authorities and the pension contributions charged to the employer, less sickness (compensation) payments received.

Taxation

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The taxation on result comprises both taxes payable in the short term and deferred taxes, taking account tax facilities and non-deductible costs. No taxes are deducted from profits if and insofar as said profits can be offset against losses from previous years.

Taxes are deducted from losses if these can be offset against profits in previous years and this results in a tax rebate. In addition, taxes may be deducted to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Share in result of participations

The share in the result of participations consists of the share of the group in the result of these participating interests. This result is determined on the basis of the accounting principles applied by RelyOn Nutec Netherlands B.V. Results on transactions, where the transfer of assets and liabilities between the group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognized as they can be deemed as not realized. The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

Dividends from participating interests where no significant influence is exercised, are recognized in the period in which they are declared. Interest income is recognized in the profit and loss account as it accrues, using the effective interest method. Any profit or loss is recognized in the profit or loss as accounted for under financial income or expenses. Notes to the financial statements

Tangible fixed assets

The movement of the tangible fixed assets can be specified as follows:

	Land & Buildings	Mach. and eq.	Software	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Balance as at 31 December 2016:				
• Purchase price	4,359	21,488	75	25,922
• Cumulative depreciation	-3,753	-17,867	-75	-21,695
Book value	605	3,620	-	4,226
Movements in book value:				
• Investments (book value)	2,007	257	-	2.264
• Depreciation	-107	-1,430	-	-1,537
• Internal transfers	-	-	-	-
Total of the movements	1,900	-1,173	-	727
Balance as at 31 December 2017:				
• Purchase price	6,366	21,745	75	28,186
• Cumulative depreciation	-3,860	-19,297	-75	-23,232
Book value	2,506	2,448	-	4,954
Depreciation rates	3 1/3 – 6 2/3	6 2/3 - 50	33	

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Related to auditor's report
dated ...6 SEP 2018...

Financial fixed assets

The financial fixed assets can be specified as follows:

	2017 EUR 1,000	2016 EUR 1,000
Participations	-	-
Deferred tax asset	**231**	**57**
Total as at 31 December	**231**	**57**

Marine Safety International Rotterdam B.V. has been liquidated in 2016. Falck BHV Operations B.V. has been liquidated in 2017.

Deferred tax asset

The deferred tax asset can be specified as follows:

	2017 EUR 1,000	2016 EUR 1,000
Deferred tax asset re. tangible fixed assets		57
Deferred tax asset re. CIT	**231**	
Total as at 31 December	**231**	57

For further explanation reference is made to the note on taxation in the profit and loss account page 22.

The deferred tax asset is mainly expired within 5 years. The deferred tax is included as we think that in the future we will gain sufficient fiscal profit to compensate the losses in the past.

Current assets

All current assets will be received within one year.

Trade debtors

The trade debtors includes a provision for bad debts of EUR'000 **217** (2016: EUR'000 575).

Cash and cash equivalents

Cash not available on demand amount to EUR 0 at 31 December 2017 (2016: EUR'000 00) since these have been pledged for issued bank guarantees.

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dated ......6 SEP 2018........

Shareholders' equity

Issued and paid-up capital

The authorized capital of RelyOn Nutec Netherlands B.V. amounts to EUR'000 90, divided into 90,000 shares of EUR 1. The issued and paid-up capital amounts to EUR'000 18.

The movements in shareholders' equity were as follows:

	Issued and paid-up capital	Share premium	Retained earnings	Unappro-priated result	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Balance as at 31 December 2015	18	740	5,053	-	5,811
Result for the year 2016	-	-	-	475	475
Appropriation of result 2016	-	-	475	-475	-
Balance as at 31 December 2016	18	740	5,528	-	6,286
Result for the year 2017	-	-	-	2,207	2,207
Balance as at 31 December 2017	18	740	5,528	2,207	8,493

The following appropriation of the result after taxes for the year 2017 will be proposed to the General Meeting of Shareholders: to appropriate the result of the year 2017 of EUR'000 2,207 to retained earnings. The result after tax for the year 2017 is included in the unappropriated result within shareholders' equity.

Provisions

The provisions can be specified as follows:

	2017	2016
	EUR 1,000	EUR 1,000
Dismantling provision	275	275
Balance as at 31 December	275	275

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Related to auditor's report
dated ....6 SEP 2019....................

The movements in the dismantling provision were as follows:

	2017 EUR 1,000	2016 EUR 1,000
Balance as at 1 January	**275**	**275**
Additions to the provision	-	-
Release of the provision	-	-
Balance as at 31 December	**275**	**275**

The dismantling provision for the company is needed for the Maasvlakte site including the section of bank and water. The site is leased and it is required that the site is restored in its original condition up expiration of the underlying agreement (being 1 April 2018). In 2015 a release of EUR '000 490 was made due to the fact that a recalculation was made based on the latest situation.

Non-current liabilities

Non-current liabilities can be specified as follows:

	2017 EUR 1,000	2016 EUR 1,000
Loans from third parties	-	-
Less: amounts maturing within one year	-	-
Balance as at 31 December	-	-

There are no liabilities such as loans.

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Related to auditor's report
dated 6 SEP 2018

Current liabilities

The current liabilities can be specified as follows:

	2017 EUR 1,000	2016 EUR 1,000
Amounts payable to shareholders	**0**	3,137
Amounts payable to group companies	**151**	218
Trade creditors	**652**	945
Social security contributions payable	**108**	239
VAT	**-**	1
Prepayments from customers	**-**	14
Pension premiums due	**190**	142
Other liabilities, accruals and deferred income	**611**	1,348
Balance as at 31 December	**1,712**	6,044

The current liabilities have a term of less than one year. A portion of the liability regarding the pension premiums finds its origin in prior years and partly relates to management estimates.

Financial instruments and exposure management

The company does not use derivative financial instruments.

General

The company has no significant foreign currency translation risks.

Interest rate risk

Referring to the disclosure note on long term liabilities, the Company is currently not exposed materially to interest rate fluctuations.

Credit risk

The company has no significant credit risk, other than those have already been allowed for, nor any concentrations of credit with a single customer or in an industry or geographical region which carries an unusually high credit risk.

Fair values

In view of their short-term nature, the fair values of financial instruments included in receivables and current liabilities approximate to their carrying amounts.

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Off balance sheet commitments

In the first quarter of 1998, the former RISC Fire & Safety Training B.V. transferred its activities to the new site on the Beerweg. The industrial sites at this new location are leased from the Municipality of Rotterdam until 1 April 2018, in accordance with an agreement signed 29 July 2004. The rental will be indexed annually. As of the second quarter of 2018 RelyOn Nutec Netherlands B.V. transfers its activities from this site to a new site nearby at the Maasvlakte. The industrial sites at this new location are leased from the Municipality of Rotterdam until 1 April 2043, in accordance with an agreement signed on August 22th 2017.

During 2014 the Company also entered into a lease agreement concerning its new facility in Amsterdam. The lease agreement expires in 2029 with rental payments being indexed annually.

These liabilities can be specified as follows:

	Maasvlakte	Amsterdam	Maasvlakte new	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Due within 1 year	59	901	183	1,143
Due between 1 and 5 years	-	3,603	975	4,579
Due after 5 years	-	5,855	4,938	10,408
	59	10,359	6,096	16,515

As from 2006 the Company is included in a fiscal unity headed by Falck Global Safety B.V. Before 2006 Nutec Rotterdam B.V. and Nutec Den Oever were already included in this fiscal unity.

The standard conditions prescribe that all companies of the fiscal unity are liable for the corporate income tax payable.

Various equipment is leased. The financial commitments in this respect amount to EUR'000 193; the average term is about 2 years.

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dated ....6 SEP 2018....

Profit and loss account for 2017

Revenue

The revenue per segment can be specified as follows:

	2017 EUR 1,000	2016 EUR 1,000
Offshore	**6,448**	6,398
Maritime	**994**	6,111
Renewable energy	**417**	487
Emergency response	**-**	240
Other	**131**	154
Operational fire training activities	**1,937**	2,159
Total	**9,927**	15,549

Of the turnover, EUR'000 1,937 (2016: EUR'000 2,159) originates from group companies.

Wages, salaries and social security charges

The total personnel costs for 2017 amounted to EUR'000 5,151 (2016: EUR'000 7,552) of which EUR'000 815 (2016: EUR'000 1,079) for social security and pension charges.

The pension charges for 2017 amounted to EUR'000 219 (2016: EUR'000 256).

In 2017, the company employed an average of 72 (2016: 95) staff, all active in the Netherlands and two expats acting abroad.

The emoluments, including pension obligations as intended in Section 2:383(1) of the Netherlands Civil Code, which were charged in the financial year to the company, amounted to EUR nil (2016: EUR 0) for directors and former directors.

Interest income and expenses

These can be specified as follows:

	2017 EUR 1,000	2016 EUR 1,000
Group interest income	**0**	**0**
Interest income	**0**	**0**
Interest expenses	**-20**	**-22**
	-20	**-22**

For identification purpose only.
Related to auditor's report
dated 6 SEP 2018

Taxation

As from 2006 the company forms part of the fiscal unity for income tax purposes with the following companies and therefore not separately liable for tax:

- Falck Global Safety B.V. (head of the fiscal unity);

Marine Safety International Rotterdam B.V. has been liquidated in 2016. Falck BHV Operations B.V. has been liquidated in 2017.

Before 2006 Nutec Rotterdam B.V. and Nutec Den Oever were already included in this fiscal unity. The other companies forming part of the fiscal unity for corporate income tax are charged as if they were separately liable for tax, taking into account an allocation of the benefits of the fiscal unity to the various companies. The corporate income tax is calculated as if the company was separately liable for tax and is offset against the current account of the company.

De effective tax rate for 2017 is: -1955% (2016: 11%) and deviates from the nominal tax rate of 25%. The main reason for this deviation is that RelyOn Nutec has applied for horizontal tax settlement within the fiscal unity, which is granted by the tax authorities in 2017 on a retrospective basis. Hence the tax profit that is recognized in 2017 also concerns prior years, Due to the uncertainty of the outcome of the discussion with the tax authorities in prior years, the possible profit wasn't recognized earlier. As disclosed on page 15 also a deferred tax asset is recognized concerning expected future settlement within the fiscal unity of current tax losses attributable to RelyOn Nutec Netherlands B.V..

Transactions with related parties

Transactions with related parties include relationships with other companies within the RelyOn Nutec Group of companies.

The transactions with related parties can be summarized as follows:

	EUR 1,000
Revenue	1,726
Intercompany revenue Training	211
SSC	141
Group fee	-400

Rotterdam, 6 September 2019

Board of Directors:

RelyOn Nutec Holding B.V.

____

T. Harring

____

S. Strøm

Other information

Independent auditor's report

The independent auditor's report is presented on the next page.

Provisions in the articles of association governing the appropriation of profits

The result, which appears from the adopted financial statements, is at the disposal of the General Meeting pursuant to Article 18.1 of the Articles of Association.

Deloitte.

Deloitte Accountants B.V.
Schenkkade 47
2595 AR Den Haag
P.O.Box 90721
2509 LS Den Haag
Netherlands

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Beconnumber 200943

Independent auditor's report

To the shareholders of RelyOn Nutec Netherlands B.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2017 INCLUDED IN THE ANNUAL ACCOUNTS

Our opinion

We have audited the accompanying financial statements 2017 of RelyOn Nutec Netherlands B.V., based in Rotterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of RelyOn Nutec Netherlands B.V. as at 31 December 2017, and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The balance sheet as at 31 December 2017.
2. The profit and loss account for 2017.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of RelyOn Nutec Netherlands B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL ACCOUNTS

In addition to the financial statements and our auditor's report thereon, the annual accounts contain other information that consists of:

- Director's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Deloitte.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.

- Obtaining 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.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, 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.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

The Hague, September 6, 2019

Deloitte Accountants B.V.

W.P.C. Meeuwisse

Initials for identification purposes:

Company No.

502823	K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Company No.

502823	K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

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Company No.

502823	K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Torben Harring
Wan Shukry bin Wan Karma
Roslee Bin Abdul Rahim (appointed on 18 March 2019)
Marwalis binti Mohd Kassim (resigned on 13 March 2019)
Lizette Kjellerup (resigned on 18 April 2019)
Fisson bin Ahmad (resigned on 14 September 2018)

PRINCIPAL ACTIVITIES

The principal activities of the Company are providing maritime safety training and consultancy services for the oil and gas industry whilst the principle activities of the subsidiaries are as stated in Note 9 to the financial statements.

FINANCIAL RESULTS

	Group	Company
Net profit for the financial year attributable to:		
- Owners of the Company	16,223,174	17,295,412
- Non-controlling interests	58,579	-
Net profit for the financial year	16,281,753	17,295,412

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

	No. of ordinary shares			
	As of 1.1.2018	Bought	Sold	As of 31.12.2018
Shares in the Company				
Registered in the name of Director Wan Shukry Bin Wan Karma	300,000	-	-	300,000

DIVIDENDS

The dividends paid or declared were as follows:

	RM
Final dividend of RM24.00 per ordinary share declared on 14 June 2018 and paid on 18 July 2018.	12,000,000
Interim dividend of RM8.00 per ordinary share declared on 15 September 2018 and paid on 18 October 2018.	4,000,000
	16,000,000

The Directors propose a final single tier dividend of RM30 per ordinary shares, amounting to RM15,000,000 in respect of the current financial year.

The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2019.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 6 to the financial statements.

There was no indemnity given or insurance effected for any Director in accordance with Section 289 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report:

(i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

OTHER STATUTORY INFORMATION (CONTINUED)

(f) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 6 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 31 July 2019. Signed on behalf of the Board of Directors.

WAN SHUKRY BIN WAN KARMA
DIRECTOR

ROSLEE BIN ABDUL RAHIM
DIRECTOR

Melaka

Company No.

502823	K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	The Group		The Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Revenue	5	46,020,853	50,146,587	37,101,486	40,862,521
Cost of services		(20,410,968)	(20,883,791)	(14,904,023)	(14,785,874)
Gross profit		25,609,885	29,262,796	22,197,463	26,076,647
Other income		1,831,331	384,568	4,497,269	1,667,927
General and administrative expenses		(6,473,686)	(7,556,482)	(5,008,079)	(6,262,384)
Other expenses		(193,886)	(247,890)	(172,886)	(231,389)
Profit before tax	6	20,773,644	21,842,992	21,513,767	21,250,801
Tax expense	7	(4,491,891)	(5,256,760)	(4,218,355)	(5,054,503)
Profit for the financial year		16,281,753	16,586,232	17,295,412	16,196,298
Other comprehensive loss					
Items that may be reclassified to profit or loss:					
- Exchange differences on translation of foreign operations		(14,721)	(44,331)	-	-
Total comprehensive income for the financial year		16,267,032	16,541,901	17,295,412	16,196,298
Profit attributable to:					
Owners of the Company		16,223,174	16,517,764		
Non-controlling interests		58,579	68,468		
Net profit and total comprehensive income for the financial year		16,281,753	16,586,232		
Total comprehensive income attributable to:					
Owners of the Company		16,208,453	16,473,433		
Non-controlling interests		58,579	68,468		
Net profit and total comprehensive income for the financial year		16,267,032	16,541,901		

Company No.

502823	K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
ASSETS					
Non-current assets					
Property, plant and equipment	8	11,598,762	5,358,385	11,162,071	4,931,899
Investment in subsidiaries	9	-	-	675,602	675,602
Deferred tax assets	10	580,872	234,779	560,872	276,337
		12,179,634	5,593,164	12,398,545	5,883,838
Current assets					
Inventories	11	110,793	95,794	-	-
Trade and other receivables	12	12,413,395	11,880,436	10,293,608	9,518,608
Contract assets	13	867,108	226,944	790,340	226,944
Amount due from subsidiaries	14	-	-	507,257	99,266
Amount due from related companies	14	1,427,402	1,542,488	1,713,466	1,535,061
Tax recoverable		-	341,728	-	306,253
Cash and bank balances	15	9,037,500	13,907,427	6,769,309	10,281,145
Fixed deposit	16	2,706,976	5,499,132	2,456,909	5,251,732
		26,563,174	33,493,949	22,530,889	27,219,009
LIABILITIES					
Current liabilities					
Trade and other payables	17	6,972,123	6,181,650	4,962,041	3,821,632
Staff retention scheme	18	434,769	155,575	382,702	155,575
Amount due to related companies	14	105,270	2,523,104	357,496	1,833,423
Tax payable		1,038,567	123,124	821,028	-
		8,550,729	8,983,453	6,523,267	5,810,630
Net current assets		18,012,445	24,510,496	16,007,622	21,408,379
Non-current Liability					
Staff retention scheme	18	1,419,528	1,548,348	1,212,110	1,393,572
Deferred tax liabilities	10	13,207	-	-	-
		1,432,735	1,548,348	1,212,110	1,393,572
		28,759,344	28,555,312	27,194,057	25,898,645

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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 (CONTINUED)

	Note	The Group		The Company	
		2018	2017	2018	2017
		RM	RM	RM	RM
EQUITY					
Capital and Reserves					
Share capital	19	1,100,000	1,100,000	1,100,000	1,100,000
Translation reserve	20	136,769	151,490	-	-
Retained earnings	21	27,323,906	27,100,732	26,094,057	24,798,645
		28,560,675	28,352,222	27,194,057	25,898,645
Non-controlling interests		198,669	203,090	-	-
Shareholder's equity		28,759,344	28,555,312	27,194,057	25,898,645

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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		Attributable to owners of the Company					
The Group	Note	Share capital RM	Translation reserve RM	Retained earnings RM	Total RM	Non controlling interest RM	Total RM
At 1 January 2018		1,100,000	151,490	27,100,732	28,352,222	203,090	28,555,312
Profit for the financial year		-	-	16,223,174	16,223,174	58,579	16,281,753
Other comprehensive loss for the year		-	(14,721)	-	(14,721)	-	(14,721)
Dividends							
- shareholders	22	-	-	(16,000,000)	(16,000,000)	-	(16,000,000)
- non controlling interest	22	-	-	-	-	(63,000)	(63,000)
As at 31 December 2018		1,100,000	136,769	27,323,906	28,560,675	198,669	28,759,344

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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

		Attributable to owners of the Company						
The Group	Note	Share capital RM	Share premium RM	Translation reserve RM	Retained earnings RM	Total RM	Non controlling interest RM	Total RM
At 1 January 2017		500,000	600,000	195,821	20,582,968	21,878,789	134,622	22,013,411
Profit for the financial year		-	-	-	16,517,764	16,517,764	68,468	16,586,232
Other comprehensive loss for the year		-	-	(44,331)	-	(44,331)	-	(44,331)
Transfer arising from "no par value" regime	19	600,000	(600,000)	-	-	-	-	-
Dividends	22	-	-	-	(10,000,000)	(10,000,000)	-	(10,000,000)
As at 31 December 2017		1,100,000	-	151,490	27,100,732	28,352,222	203,090	28,555,312

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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

The Company	Note	Share capital RM	Share premium RM	Retained earnings RM	Total RM
At 1 January 2018		1,100,000	-	24,798,645	25,898,645
Net profit and total comprehensive income for the financial year		-	-	17,295,412	17,295,412
Dividends paid	22	-	-	(16,000,000)	(16,000,000)
As at 31 December 2018		1,100,000	-	26,094,057	27,194,057
At 1 January 2017		500,000	600,000	18,602,347	19,702,347
Net profit and total comprehensive income for the financial year		-	-	16,196,298	16,196,298
Transfer arising from "no par value" regime	18	600,000	(600,000)	-	-
Dividends paid	22	-	-	(10,000,000)	(10,000,000)
As at 31 December 2017		1,100,000	-	24,798,645	25,898,645

Company No.

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	20,773,644	21,842,992	21,513,767	21,250,801
Adjustments for:				
Property, plant and equipment				
- depreciation	1,305,313	883,837	1,126,344	762,094
- written off	9,242	438	6,520	438
Bad debts written off	-	64,464	-	55,493
Unrealised (gain)/loss on foreign exchange	(227,353)	427,174	(205,938)	397,129
Interest income	(75,040)	(128,054)	(75,040)	(57,911)
Dividend income	-	-	(2,668,500)	-
Provision/(reversal) of retention scheme	377,804	(349,396)	218,933	(250,768)
Provision of doubtful debts	326,949	973,768	(164,948)	855,191
Operating profit before Working capital changes	22,490,559	23,715,223	19,751,138	23,012,467
Changes in working capital:				
Inventories	(14,998)	(18,876)	-	-
Receivables	(677,558)	(3,316,552)	(434,396)	(3,162,386)
Contract assets	(695,164)	-	(618,395)	-
Balances with subsidiaries	-	-	(7,135,650)	(1,597,214)
Balances with related companies	(7,801,880)	907,882	(178,405)	1,045,079
Payables	790,473	(131,440)	1,140,408	201,718
Cash generated from operations	14,091,432	21,156,237	12,524,700	19,499,664
Staff retention scheme paid	(227,430)	(882,214)	(173,268)	(882,214)
Tax paid	(3,567,606)	(5,321,229)	(3,375,609)	(5,170,837)
Net cash generated from operating activities	10,296,396	14,952,794	8,975,823	13,446,613

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
CASH FLOW USED IN INVESTING ACTIVITIES					
Interest received		75,040	128,054	75,040	57,911
Purchase of property, plant and equipment		(7,554,932)	(2,625,157)	(7,363,036)	(2,577,957)
Dividend received		-	-	2,668,500	1,347,000
Drawdown of fixed deposits		2,792,155	-	2,794,823	-
Net cash used in investing activities		(4,687,737)	(2,497,103)	(1,824,673)	(1,173,046)
CASH FLOWS USED IN FINANCING ACTIVITY					
Dividends paid					
- shareholders		(16,000,000)	(10,000,000)	(16,000,000)	(10,000,000)
- non controlling interest		(63,000)	-	-	-
Net cash used in financing activities		(16,063,000)	(10,000,000)	(16,000,000)	(10,000,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(10,454,341)	2,455,691	(8,848,850)	2,273,567
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		19,406,559	16,927,883	15,532,877	13,190,385
Effect of exchange rate differences		85,282	22,985	85,282	68,925
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		9,037,500	19,406,559	6,769,309	15,532,877

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1 GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The principal activities of the Company are providing maritime safety training and consultancy services for the oil and gas industry whilst the principle activities of the subsidiaries are as stated in Note 9 to the financial statements.

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at 606 & 607, Jalan Melaka Raya 10, Taman Melaka Raya, 75000 Melaka.

2 BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(a) Standards, amendments to published standards and interpretations that are effective

The Group has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2018:

- MFRS 9 'Financial Instruments'
- MFRS 15 'Revenue from Contracts with Customers'
- IC Interpretation 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements to MFRSs 2014 – 2016 Cycle: MFRS 128 'Investments in Associates and Joint Ventures'

2 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

The Group has adopted MFRS 9 and MFRS 15 for the first time in the 2018 financial statements, which resulted in changes in accounting policies. The amendments and improvements do not have a significant impact on the Group's and Company's financial statements.

Other than that, the adoption of other amendments listed above did not have any impact on the current period or any prior period and is not likely to affect future periods.

(b) Standards and amendments that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2019. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- MFRS 16 'Leases'
- Amendment to MFRS 9 'Prepayments Features with Negative Compensation'
- Amendment to MFRS 119 'Plan Amendment, Curtailment or Settlement'
- Amendments to MFRS 128 'Long-term Interest in Associates and Joint Ventures'
- Annual improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123
- IC Interpretation 23 'Uncertainty over Income Tax Treatments'

The effects of the above new accounting standards and amendments are currently being assessed by the Directors.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(i) Subsidiaries (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income statement of changes in equity and statement of financial position respectively.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(iv) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(iv) Joint arrangements (continued)

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss in other expenses.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to note 3(c)).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in other expenses or other income in profit or loss.

Property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Building	3%
Training barge and training ground	3.33% - 33.33%
Training plant and equipment	10% - 33.33%
Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment	20% - 33.33%

Depreciation on assets under construction commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(c) on impairment of non-financial assets.

Any property, plant and equipment acquired at a value below EUR 3,000 should in general be fully depreciated or expensed immediately. Assets below this value can be capitalised if it is directly used to supply products or services to customers. Generaly, asset to be capitalise should have a useful live of more than 2 years.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(d) Holding companies

The Company is included in the Consolidated Financial Statement of P-RelyOn Nutec 2018 A/S (ultimate parent), incorporated in Denmark. The the immediate holding company is RelyOn Nutec Holding B.V., incorporated in the Netherlands.

(e) Investments in subsidiaries, joint ventures and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amount due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

(f) Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Current and deferred income tax (continued)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the parent, and it is probable that the temporary difference will not reverse in the foreseeable future. Generally investor is unable to control the reversal of the temporary difference for associate. Only where there is an agreement in place that gives the investor the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. It excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets

MFRS 9 replaces the provisions of MFRS 139 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets.

The adoption of MFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Company has elected to apply the limited exemption in MFRS 9 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application.

As a consequence:

(i) any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the difference recognised in opening retained earnings
(ii) financial assets are not reclassified in the balance sheet for the comparative period
(iii) provisions for impairment have not been restated in the comparative period

<u>Accounting policies applied from 1 January 2018</u>

(i) Classification

From 1 January 2018, the Group classifies its financial assets to be measured at amortised cost.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ('SPPI').

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iii) Measurement (continued)

The Group classifies its debt instruments at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/(expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income or statement of profit or loss and statement of comprehensive income as applicable.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other income/(expenses) in the the statement of comprehensive income or statement of profit or loss and statement of comprehensive income as applicable.

(iv) Subsequent measurement – Impairment

Impairment for debt instruments and financial guarantee contracts

The Group assesses on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and Company has various types of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Amount due from subsidiaries
- Amount due from related companies
- Contract assets

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iv) Subsequent measurement – Impairment (continued)

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, amount due from subsidiaries and amount due from related companies

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(ii) Simplified approach for trade receivables and contract assets.

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

Significant increase in credit risk (continued)

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:
The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:
The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables and contract assets arising from maritime safety training ans consultancy services for the oil and gas industry have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Write-off

(i) Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables, amount due from subsidiaries and amount due from related companies

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the financial year was RM Nil. Subsequent recoveries of amounts previously written off will result in impairment gains.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

Accounting policies applied until 31 December 2017

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and bank balances' in the statement of financial position.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at fair value through profit or loss

(iii) Subsequent measurement – gains and losses

Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

(iv) Subsequent measurement – Impairment

Assets carried at amortised cost

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iv) Subsequent measurement – Impairment (continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Receivables and contract assets and contract liabilities

A receivable is recognised when the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

From 1 January 2018, contract asset is the right to consideration for goods or services transferred to the customers. In the case of providing maritime safety training and consultancy services for oil and gas industry, contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. In the case of providing maritime safety training and consultancy services for oil and gas industry, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Company has billed or has collected the payment before the goods are delivered or services are provided to the customers.

Until 31 December 2017, when the outcome of providing maritime safety training and consultancy services for oil and gas industry contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion. The stage of completion is measured by reference to the proportion of contract costs incurred for training and consultancy performed to date to the estimated total contract costs.

Where the outcome of a maritime safety training and consultancy services for oil and gas industry contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expenses immediately.

When the total costs incurred on providing maritime safety training and consultancy services for oil and gas industry plus recognised profits (less recognised losses), excess progress billings, the balances are classified as amount due from customers on contracts. When progress billing exceed costs incurred plus recognised profits (less recognised losses), the balances are classified as amount due to customers on contracts.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the statement of financial position, banks overdrafts are shown within borrowings in current liabilities.

(l) Trade payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade payables are subsequently measured at amortised cost using the effective interest method.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefit obligations

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statement of financial position.

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Staff retention scheme

The provision for staff retention scheme represents a long service incentive scheme for employees. The provision has been derived from any excess of unutilised yearly accruals for bonuses as at year end. Withdrawal is subject to the completion of 5 years continuous service in the Group. Initial withdrawal by an employee is limited to a maximum of 50% of the amount allocated and the subsequent withdrawal is limited to a maximum of 40% of the remaining amount. The subsequent withdrawal is subject to 3 years waiting period from the previous withdrawal.

(o) Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

(iii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in profit or loss on a net basis within other income or expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments classified as at fair value through other comprehensive income (2017: available for sale) are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at fair value through other comprehensive income (2017: available for sale), are included

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(a) Accounting by lessee

(i) Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight-line basis over the lease period.

(b) Accounting by lessor

(i) Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leases (continued)

(b) Accounting by lessor (continued)

(ii) Operating leases

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis

(r) Revenue

Accounting policies applied from 1 January 2018

(i) Providing maritime safety training and consultancy services for the oil and gas industry

The Group and Company provides business maritime safety training and consultancy services for the oil and gas industry. Revenue from providing services is recognised over the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the financial year as a proportion of the total services to be provided. Each training provided are identified as a separate performance obligations and the transaction price allocated according to each training conducted.

Most of the contracts does not contain multiple deliverables as it does not include an integration service and could be performed by another party. It is therefore accounted for as a single performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in the estimated revenue or cost is reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group and Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(ii) Healthcare consultancy services

A subsidiary of the Group operates clinics to provide healthcare consultancy services. Revenue from the services is recognised at point in time when the consultant rendered the services.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue (continued)

Accounting policies applied until 31 December 2017

(i) Providing maritime safety training and consultancy services for the oil and gas industry

Revenue from rendering of services are recognised in the statement of profit or loss and other comprehensive income upon rendering of services.

(ii) Healthcare consultancy services

Revenue from provision of medicine and medical services is recognised in the income statement net of service tax and discount, as and when the services are performed.

(iii) Provision of manpower and labour resources

Revenue from rendering of services are recognised by reference to the stage of completion of the services rendered at the end of the reporting period when the outcome of the transaction can be estimated reliably. The stage of completion is determined using the proportion that costs incurred for work performed to date bear to the estimated total costs. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period. When a specific act is much more significant than any other act, recognition of revenue will be postponed until the significant act is executed.

When the outcome of the transactions cannot be estimated reliably, revenue will be recognised only to the extent of the expense recognised that are recoverable.

(s) Interest income

Accounting policies applied from 1 January 2018

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Accounting policies applied until 31 December 2017

Interest income is recognised on an accrual basis using the effective interest method.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Company's results and financial position are tested for sensitivity to changes in the underlying parameters.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below:

Expected credit loss on financial instruments

The Group assess on a forward looking basis for the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Directors recognised the expected loss rate of each type of financial assets based on the probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expect to receive, over the remaining life of the financial instruments.

Transfer pricing

The Group provides and receives services and other types of transactions to its related companies based on prices and terms that are mutually agreed which takes into account internal business arrangements and business models for industries operating in a similar manner. The pricing is reviewed periodically and changes may be made based on the Directors' judgement. The Directors' are of the opinion that the pricing is in accordance with all applicable transfer pricing regulations in Malaysia.

5 REVENUE

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Providing maritime safety training and consultancy services for the oil and gas industry	43,383,129	50,146,587	37,101,486	40,862,521
Healthcare consultancy services	2,637,724	-	-	-
	46,020,853	50,146,587	37,101,486	40,862,521
Timing of revenue recognition				
- Over time	46,020,853	50,146,587	37,101,486	40,862,521

6 PROFIT BEFORE TAX

Profit before is arrived at after charging(crediting):

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Advertising fees	5,344	-	-	-
Audit fee				
- PricewaterhouseCoopers PLT	116,500	-	85,000	40,059
- other auditors	56,669	101,721	-	-
Certification costs	208,332	-	-	-
Cost of consumables used	1,252,968	527,873	-	-
Course registration fee	748,006	867,115	748,006	867,115
Diesel and fuel	130,622	-	124,064	118,600
Directors' fee and remuneration				
- Fees	454,718	414,111	442,746	354,455
- Salaries and other emoluments	704,448	1,050,188	397,556	711,312
Dividend income	-	-	(2,668,500)	(1,347,000)
Electricity	18,753	57,515	-	-
External assistance fee	2,469,995	2,400,135	2,315,685	1,421,672
Hiring of medevac	48,800	-	-	-
Insurance	7,086	-	-	-
Interest income from fixed deposits	(75,040)	(128,054)	(75,040)	(57,911)
Management fee	854,400	1,420,000	854,400	1,420,000
Office related expenses	530,010	529,679	306,264	315,044
Property, plant and equipment				
- depreciation	1,305,313	883,837	1,126,344	762,094
- written off	9,242	438	6,520	438
Provision/(reversal) of doubtful debts	326,949	973,768	(164,948)	855,191
Realised foreign exchange (gain)/loss	(44,769)	80,425	-	-
Rental expenses	823,777	751,863	823,777	751,863
Repair and maintenance	1,364,875	1,324,109	1,062,670	1,117,136
Royalty fee	1,179,524	1,337,088	1,020,000	1,123,000
Sales commission	6,348	6,304	-	-
Staff costs				
- wages, salaries and bonus	6,567,171	5,904,166	4,772,455	3,849,738
- employee provident fund	814,470	744,177	513,445	472,970
Students related expenses	3,054,729	3,001,438	2,774,407	3,397,133
Training related expenses	1,570,986	1,632,975	1,363,671	1,138,649

7 TAX EXPENSE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Malaysian income tax:				
Current year	4,912,684	5,028,146	4,794,779	4,942,383
(Over)/underprovision in prior years	(277,803)	2,261	(291,889)	5,750
	4,634,881	5,030,407	4,502,890	4,948,133
Foreign income tax:				
Current year	177,359	116,109	-	-
Underprovision in prior years	12,537	-	-	-
	189,896	116,109	-	-
Deferred tax (Note 10)	(332,886)	110,244	(284,535)	106,370
	4,491,891	5,256,760	4,218,355	5,054,503

A reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to tax expense at the effective income tax rate is as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax	20,773,644	21,842,992	21,513,767	21,250,815
Tax calculated at the statutory income tax rate of 24% (2017:24%)	4,985,675	5,242,318	5,163,304	5,100,196
Tax effects of:				
Effects of different tax rate	(174,760)	(30,000)	(30,000)	(30,000)
Expenses not deductible	167,302	358,018	110,800	354,124
Income not subject to tax	(127,641)	(285,370)	(640,441)	(323,280)
(Over)/underprovision in prior year	(265,266)	2,261	(291,889)	5,750
Others	(93,419)	(30,467)	(93,419)	(52,287)
Tax expense	4,491,891	5,256,760	4,218,355	5,054,503

8 PROPERTY, PLANT AND EQUIPMENT

Group	Building RM	Training barge and training ground RM	Training plant and equipment RM	Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment RM	Work-in-progress RM	Total RM
Cost						
At 1 January 2018	830,000	6,608,742	5,877,723	5,643,119	993,800	19,953,384
Additions	-	-	262,320	41,727	7,250,885	7,554,932
Write-offs	-	-	(61,920)	(21,216)	-	(83,136)
As at 31 December 2018	830,000	6,608,742	6,078,123	5,663,630	8,244,685	27,425,180
Accumulated depreciation						
At 1 January 2018	225,830	4,808,199	5,022,877	4,538,093	-	14,594,999
Change for the financial year	25,246	350,698	440,144	489,225	-	1,305,313
Write-offs	-	-	(55,543)	(18,351)	-	(73,894)
As at 31 December 2018	251,076	5,158,897	5,407,478	5,008,967	-	15,826,418
Net book value						
As at 31 December 2018	578,924	1,449,845	670,645	654,663	8,244,685	11,598,762

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Building RM	Training barge and training ground RM	Training plant and equipment RM	Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment RM	Work-in-progress RM	Total RM
Cost						
At 1 January 2017	830,000	5,363,806	5,660,685	5,456,479	48,225	17,359,195
Additions	-	1,244,936	223,218	174,728	982,275	2,625,157
Write-offs	-	-	(6,180)	(24,788)	-	(30,968)
Reclassification	-	-	-	36,700	(36,700)	-
As at 31 December 2017	830,000	6,608,742	5,877,723	5,643,119	993,800	19,953,384
Accumulated depreciation						
At 1 January 2017	200,584	4,571,656	4,822,814	4,146,638	-	13,741,692
Change for the financial year	25,246	236,543	206,243	415,805	-	883,837
Write-offs	-	-	(6,180)	(24,350)	-	(30,530)
As at 31 December 2017	225,830	4,808,199	5,022,877	4,538,093	-	14,594,999
Net book value						
As at 31 December 2017	604,170	1,800,543	854,846	1,105,026	993,800	5,358,385

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Building RM	Training barge and training ground RM	Training plant and equipment RM	Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment RM	Work-in-progress RM	Total RM
Cost						
At 1 January 2018	830,000	6,608,742	5,056,117	4,591,256	993,800	18,079,915
Additions	-	-	84,418	27,733	7,250,885	7,363,036
Write-offs	-	-	(61,920)	(16,266)	-	(78,186)
As at 31 December 2018	830,000	6,608,742	5,078,615	4,602,723	8,244,685	25,364,765
Accumulated depreciation						
At 1 January 2018	225,830	4,808,199	4,460,921	3,653,066	-	13,148,016
Change for the financial year	25,246	350,698	363,650	386,750	-	1,126,344
Write-offs	-	-	(55,543)	(16,123)	-	(71,666)
As at 31 December 2018	251,076	5,158,897	4,769,028	4,023,693	-	14,202,694
Net book value						
As at 31 December 2018	578,924	1,449,845	309,587	579,030	8,244,685	11,162,071

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Building RM	Training barge and training ground RM	Training plant and equipment RM	Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment RM	Work-in-progress RM	Total RM
Cost						
At 1 January 2017	830,000	5,363,806	4,859,091	4,431,804	48,225	15,532,926
Additions	-	1,244,936	203,206	147,540	982,275	2,577,957
Write-offs	-	-	(6,180)	(24,788)	-	(30,968)
Reclassification	-	-	-	36,700	(36,700)	-
As at 31 December 2017	830,000	6,608,742	5,056,117	4,591,256	993,800	18,079,915
Accumulated depreciation						
At 1 January 2017	200,584	4,571,656	4,277,717	3,366,495	-	12,416,452
Change for the financial year	25,246	236,543	189,384	310,921	-	762,094
Write-offs	-	-	(6,180)	(24,350)	-	(30,530)
As at 31 December 2017	225,830	4,808,199	4,460,921	3,653,066	-	13,148,016
Net book value						
As at 31 December 2017	604,170	1,800,543	595,196	938,190	993,800	4,931,899

9 INVESTMENT IN SUBSIDIARIES

	Company 2018 RM	Company 2017 RM
Unquoted shares - at cost	675,602	675,602

Details of the subsidiaries, which all have financial years ending 31 December are as follows:-

Name of company	Proportion of ownership interest and voting power held by the Group 2018	2017	Country of incorporation	Principal activities
Risktec (M) Sdn. Bhd.+	100%	100%	Malaysia	Dormant.
MSTS Asia (S'pore) Pte. Ltd.*	100%	100%	Singapore	Providing safety training services for the oil and gas industry
RelyOn Bestari Healthcare Sdn. Bhd.+ (formerly known as Falck Bestari Healthcare Sdn. Bhd.)	82%	82%	Malaysia	Providing primary healthcare and other services

+ Audited by PricewaterhouseCoopers PLT
* Audited by other auditors

Set out below is summarised financial information for a subsidiary that has non-controlling interest that are material to the Group. The amounts disclosed are before inter-company eliminations.

Summarised balance sheet

	RelyOn Bestari Healthcare Sdn. Bhd. 2018 RM	2017 RM
Current assets	1,081,066	1,066,523
Current liabilities	(389,230)	(392,827)
Net current assets	691,836	673,696

9 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Summarised balance sheet (continued)

	RelyOn Bestari Healthcare Sdn. Bhd. 2018 RM	2017 RM
Non-current assets	261,881	332,981
Non-current liabilities	-	(28,400)
Net non-current assets	261,881	304,581
Net assets	953,717	978,277
Accumulated non controlling interest	198,669	203,090

Summarised statement of comprehensive income

	2018 RM	2017 RM
Revenue	2,637,724	2,362,360
Profit and total comprehensive income for the financial year	325,440	380,376
Profit allocated to non controlling interest	58,579	68,468
Dividend paid to non controlling interest	63,000	-

Summarised cash flows

	2018 RM	2017 RM
Cash flow generated from operating activities	322,404	406,187
Cash flow used in investing activity	(10,820)	(19,170)
Cash flow used in financing activity	(350,000)	(150,000)
Net change in cash and cash equivalents	(38,416)	237,017

10 DEFERRED TAX ASSETS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Deferred tax assets	580,872	234,779	560,872	276,337
Deferred tax liabilities	(13,207)	-	-	-
	567,665	234,779	560,872	276,337
At beginning of the financial year	234,779	345,023	276,337	382,707
Credited/(charged) to profit or loss (Note 7)				
- provisions	446,894	(141,242)	405,194	(138,902)
- property, plant and equipment	(114,008)	30,998	(120,659)	32,532
	332,886	(110,244)	284,535	(106,370)
At the end of the financial year	567,665	234,779	560,872	276,337
Deferred tax assets (before offsetting)				
- provisions	1,070,467	623,573	1,034,467	629,273
Offsetting	(489,595)	(388,794)	(473,595)	(352,936)
Deferred tax assets (after offsetting)	580,872	234,779	560,872	276,337
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	(502,802)	(388,794)	(473,595)	(352,936)
Offsetting	489,595	388,794	473,595	352,936
Deferred tax liabilities (after offsetting)	(13,207)	-	-	-

10 DEFERRED TAX ASSETS (CONTINUED)

The amount of deferred tax assets not recognised in the statement of financial position by a subsidiary as the Directors are of the view it is not probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilised is as follows:

	Group	
	2018	2017
	RM	RM
Deductible temporary differences		
- Unabsorbed business losses	540,000	529,000
- Unabsorbed capital allowances	12,000	12,000
	552,000	541,000

The unutilised capital allowance and other deductible temporary differences can be carried forward to be deducted from the adjusted income of the subsequent years of assessment indefinitely until it is fully utilised. Unutilised tax losses will expire in year 2025.

11 INVENTORIES

	Group	
	2018	2017
	RM	RM
Medicine – at cost	110,793	95,794

12 TRADE RECEIVABLES AND OTHER RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade				
Trade receivables	13,792,465	12,797,550	10,989,224	10,353,454
Allowance for doubtful debts	(2,076,184)	(1,804,235)	(1,203,000)	(1,422,948)
	11,716,281	10,993,315	9,786,224	8,930,506
Other financial assets at amortised cost				
Other receivables	126,764	211,496	126,764	211,496

12 TRADE RECEIVABLES AND OTHER RECEIVABLES (CONTINUED)

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other current assets				
Deposits	429,356	516,409	264,373	234,713
Prepaid expenses	140,994	159,216	116,247	141,893
	570,350	675,625	380,620	376,606
	12,413,395	11,880,436	10,293,608	9,518,608

The credit period granted on services rendered ranges from cash terms to 30 days (2017: cash terms to 30 days).

13 CONTRACT ASSETS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Balance at the beginning of the financial year	226,944	-	226,944	-
Transfer to receivables	(226,944)	-	(226,944)	-
Increases as a result of changes in the measurement of progress	922,108	226,944	845,340	226,944
Loss allowance	(55,000)	-	(55,000)	-
Balance at the end of the financial year	867,108	226,944	790,340	226,944

14 AMOUNT DUE FROM SUBSIDIARIES, AMOUNT DUE FROM RELATED COMPANIES AND AMOUNT DUE TO RELATED COMPANIES

Amount due from subsidiaries, related companies and amount due to related companies, which arose mainly from the payments made on behalf, is unsecured, interest-free and repayable on demand. Sales transactions with a subsidiary has credit terms of 30 days (2017: 30 days)

15 CASH AND BANK BALANCES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Cash and bank balances	9,037,500	13,907,427	6,769,309	10,281,145

Bank balances are deposits held at call with banks and earn no interest.

16 FIXED DEPOSITS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Fixed deposit	2,706,976	5,499,132	2,456,909	5,251,732

The average interest rate of fixed deposit as at 31 December 2018 is 3.50% (2017: 3.55%) per annum. The fixed deposit average maturity periods are within 180 to 365 days (2017: 180 to 365 days).

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade payables	1,799,148	1,408,260	759,540	470,789
Other payables	3,089,884	1,786,447	2,191,899	1,405,454
Accrued expenses	2,083,091	2,986,943	2,010,602	1,945,389
	6,972,123	6,181,650	4,962,041	3,821,632

The credit period granted on trade payables is 30 days (2017: 30 days).

18 STAFF RETENTION SCHEME

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
As at 1 January	1,703,923	2,935,533	1,549,147	2,682,129
Charged to profit or loss	377,804	(349,396)	218,933	(250,768)
Paid during the financial year	(227,430)	(882,214)	(173,268)	(882,214)
As at 31 December	1,854,297	1,703,923	1,594,812	1,549,147
Current	434,769	155,575	382,702	155,575
Non current	1,419,528	1,548,348	1,212,110	1,393,572
As at 31 December	1,854,297	1,703,923	1,594,812	1,549,147

19 SHARE CAPITAL

	Group and Company	
	2018	2017
	RM	RM
Issued and fully paid:		
500,000 ordinary shares with no par value		
As at 1 January	1,100,000	500,000
Transfer from share premium reserve	-	600,000
As at 31 December	1,100,000	1,100,000

20 TRANSLATION RESERVE

		Group
	2018	2017
	RM	RM
As at 1 January	151,490	195,821
Currency translation differences	(14,721)	(44,331)
As at 31 December	136,769	151,490

Translation reserve comprises of foreign currency differences arising from the translation of the financial statements of foreign operation.

21 RETAINED EARNINGS

The Company is governed under the single-tier dividend system. Under the single-tier system, the Company can distribute all its retained earnings as single-tier dividends. Dividends paid are tax exempt in the hands of the shareholders.

22 DIVIDENDS

	Group and Company	
	2018	2017
	RM	RM
Dividends paid to shareholders		
Interim dividend of RM8 (2017: Nil) per ordinary share, in respect of financial year	4,000,000	-
Final dividend of RM24 (2017: RM20) per ordinary share, in respect of financial year	12,000,000	10,000,000
	16,000,000	10,000,000
Dividends paid to non controlling interest		
First interim dividend of RM0.60 per ordinary share, in respect of financial year	63,000	-
	16,063,000	10,000,000

The Directors propose a final interim single tier dividend of RM30 per ordinary shares, amounting to RM15,000,000 in respect of the current financial year.

The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2019.

23 RELATED PARTY TRANSACTIONS

Name of related company	Relationship
RelyOn Nutec Holding A/S	Fellow subsidiary
RelyOn Nutec (Thailand) Ltd	Fellow subsidiary
Falck Safety Services LLC	Fellow subsidiary
RelyOn Nutec Malaysia Sdn. Bhd.	Fellow subsidiary
Risktec (M) Sdn. Bhd.	Subsidiary
MSTS Asia (S'pore) Pte. Ltd.	Subsidiary
RelyOn Bestari Healthcare Sdn. Bhd.	Subsidiary

In addition to information disclosed elsewhere in the financial statements, the other significant transactions with related parties are as follows:

	Company	
	2018	2017
	RM	RM
Subsidiary companies		
Dividend income	2,668,500	1,347,000
Accounting fee	6,000	6,000
Support service fee	409,608	369,000
Sales of training courses	167,248	96,227
Course registration fee	2,057	49,715
External assistance fee	82,214	82,258
Rental income	97,500	96,000

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other fellow subsidiaries				
Management fee	854,400	1,420,000	854,400	1,420,000
Technical license fee	29,314	29,953	29,314	374,390
Training costs	66,853	-	17,257	-
Support service fee	346,664	701,409	346,664	701,409
Sales of training courses	57,260	188,000	158,329	188,000
Course registration fee	46,457	103,269	46,457	103,269
Royalty fee	1,179,524	1,337,088	1,020,000	1,123,000
Rental income	49,320	610,495	-	-
External trainer fee		67,147	-	67,147
Other expenses	66,853	46,233	22,500	45,933
Shared IT cost	126,139	140,955	37,496	137,750
Insurance fee	-	6,479	-	5,513

23 RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Director of the Company				
Rental expense	90,000	90,000	90,000	90,000

These transaction were based on agreed terms between the parties.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company includes the Directors of the Group and of the Company.

The remuneration of key management personnel during the year are as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Directors:				
Fees	454,718	414,111	442,746	354,455
Salaries and other emoluments	704,448	1,050,188	397,556	711,312
	1,159,166	1,464,299	840,302	1,065,767

24 CAPITAL COMMITMENTS

As of 31 December 2018, the Group and the Company has the following capital commitments in respect of purchase of property, plant and equipment:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Approved and contracted for	10,872,000	8,418,270	10,567,000	8,418,270

25 NON CANCELLABLE LEASES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Not later than 1 year	1,210,834	1,507,646	605,518	358,865
Later than 1 year and not later than 5 years	1,995,850	720,465	1,285,975	662,591
Later than 5 years	-	326,692	-	326,692
	3,206,684	2,554,803	1,891,493	1,348,148

26 MFRS 9 FINANCIAL INSTRUMENTS

The financial instruments of the Group and Company as at 31 December by classes are as follows:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Financial assets measured at amortised cost				
Trade and other receivables	11,843,045	11,204,811	9,912,988	9,142,002
Contract assets	867,108	226,944	790,340	226,944
Amount due from subsidiaries	-	-	507,257	99,266
Amount due from other related companies	1,427,402	1,542,488	1,713,466	1,535,061
Cash and bank balances	9,037,500	13,907,427	6,769,309	10,281,145
Fixed deposits	2,706,976	5,499,132	2,456,909	5,251,732
	25,882,031	32,380,802	22,150,269	26,536,150
Financial liabilities measured at amortised cost				
Trade and other payables	6,972,123	6,181,650	4,962,041	3,821,632
Amount due to other related companies	105,270	2,523,104	357,496	1,833,423
	7,077,393	8,704,754	5,319,537	5,655,055

27 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The operations of the Group are subject to a variety of financial risks. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

(a) Credit Risk Management

The Group and Company does not have significant credit risk exposure to any single counterparty.

Impairment of financial assets

(i) Trade receivables, current assets and contract assets using simplified approach

To measure the expected credit losses, trade receivables, current assets and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2018 was determined as follows for trade receivables and current assets:

Group

31 December 2018	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	7%	7%	7%	7%	
Gross carrying amount – trade receivables	3,346,282	3,233,169	1,623,750	5,589,264	13,792,465
Gross contract assets	922,108	-	-	-	922,108
Loss allowance	(349,284)	(401,637)	(115,486)	(1,264,777)	(2,131,184)
	3,919,106	2,831,532	1,508,264	4,324,487	12,583,389

27 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

21 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) Credit Risk Management (continued)

Company

31 December 2018	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	7%	7%	7%	7%	
Gross carrying amount – trade receivables	2,827,822	2,819,443	1,279,589	4,062,370	10,989,224
Gross carrying amount - contract assets	845,340	-	-	-	845,340
Loss allowance	(240,000)	(189,000)	(88,000)	(741,000)	(1,258,000)
	3,433,162	2,630,443	1,191,589	3,321,370	10,576,564

(i) Amount due from subsidiaries, amount due from related companies and other receivables.

To measure the expected credit losses, the Company has considers available reasonable and supportive forwarding-looking information such as internal credit rating, actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change ti the borrower's ability to meet its obligations and actual or expected significant changes in the operating results of the borrowers.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >60 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

27 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Financial Risk Management Objectives and Policies (continued)

(a) Credit Risk Management (continued)

Group	Internal credit rating	Expected credit losses (ECL)	Gross carrying amount	Loss allowance	Net carrying amount
			RM	RM	RM
Amount due from related companies	Performing	12-month	1,427,402	-	1,427,402
Other receivables	Performing	12-month	126,764	-	126,764
			1,554,166	-	1,554,166

Company	Internal credit rating	Expected credit losses (ECL)	Gross carrying amount	Loss allowance	Net carrying amount
			RM	RM	RM
Amount due from subsidiaries	Performing	12-month	507,257	-	507,257
Amount due from related companies	Performing	12-month	1,713,466	-	1,713,466
Other receivables	Performing	12-month	126,764	-	126,764
			2,347,487	-	2,347,487

The closing loss allowances as at 31 December 2018 reconcile to the opening loss allowances as follows:

Group	2018 RM	2017 RM
31 December – calculated under MFRS 139	1,804,235	1,804,235
Amount restated through opening retained earnings	-	-
Opening loss allowance as at 1 January 2018 – calculated under MFRS 9	1,804,235	1,804,235
Increase in loss allowance recognised in profit or loss during the financial year	326,949	-
At 31 December – calculated under MFRS 9	2,131,184	1,804,235

27 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Financial Risk Management Objectives and Policies (continued)

(a) Credit Risk Management (continued)

Company	2018 RM	2017 RM
31 December – calculated under MFRS 139	1,422,948	1,422,948
Amount restated through opening retained earnings	-	-
Opening loss allowance as at 1 January 2018 – calculated under MFRS 9	1,422,948	1,422,948
Decrease in loss allowance recognised in profit or loss during the year	(164,948)	-
At 31 December – calculated under MFRS 9	1,258,000	1,422,948

(b) Liquidity Risk Management

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirements of working capital.

All financial liabilities of the Company are repayable on demand or are due within one year from the end of the reporting period except for non-current portion of staff retention scheme

(c) Foreign currency risk

Foreign currency sensitivity

The Group is primarily exposed to changes in USD exchange rates. The following table details the Group's sensitivity to a 10% increase and decrease in Ringgit Malaysia against USD. 10% is the sensitivity rate used as guideline as the Group does not set a range for the reporting of foreign currency risk internally to key management personnel and management's assessment of the reasonable possible change in foreign exchange rates.

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
United States Dollar	1,168,767	1,212,951	1,105,362	1,129,566

(d) Fair values of financial instruments

The fair values of these financial instruments approximate their carrying amounts due to the short-term maturities of these instruments.

28 CONTINGENT LIABILITIES

As at 31 December 2018, the Group and the Company has the following contingent liabilities:

(i) A performance bond amounting to RM113,213 required to make payments to customers in the event that the Company does not perform what is expected of it under the terms of the contract.

(ii) A claim for unspecified amounts for a rental agreement in dispute during the financial year against the Company. The Company has disclaimed liability and is defending the action. Legal advice obtained indicates that it is unlikely that any significant liability will arise. The Directors are of the view that no material losses will arise in respect of the legal claim at the date of these financial statements.

29 SIGNIFICANT EVENTS SUBSEQUENT TO YEAR END

On 19 March 2019, the Group and Company entered into an assignment agreement with BidCo RelyOn Nutec A/S (Bondholders) and Nordic Trustee AS (Security Agent) as security for the payment and satisfaction in full of the Secured Obligations entered by BidCo RelyOn Nutec A/S for a senior secured callable bonds up to a maximum aggregate amount of EUR 100,000,000, the Company was assigned with the Assigned Rights to and in favour of the Security Agent on behalf of the Secured Parties as assignees represented by the Security Agent, including all of the Assignor's right, title and interest, present and future, to and in the Assigned Rights by way of a first priority assignment.

30 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 31 July 2019.

Company No.

502823	K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Wan Shukry bin Wan Karma and Roslee Bin Abdul Rahim, being two of the Directors of MSTS Asia Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 57 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2018 and financial performance of the Group and the Company for the financial year ended 31 December 2018 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 31 July 2019.

WAN SHUKRY BIN WAN KARMA
Director

ROSLEE BIN ABDUL RAHIM
Director

Melaka

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Roslee Bin Abdul Rahim, the Director primarily responsible for the financial management of MSTS Asia Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 5 to 57 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

ROSLEE BIN ABDUL RAHIM

Subscribed and solemnly declared by the abovenamed at Melaka in the State of Melaka, Malaysia on 31 July 2019.

Before me:

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
NO: M. 075
CHAN CHIEW YEN
BC/C/801
01/01/19-31/12/21
MALAYSIA

No. 1-9, Jalan PM 14,
Plaza Mahkota Bandar Hilir,
75000 Melaka.

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)
(Company No. 502823 K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of MSTS Asia Sdn. Bhd. ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 57.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' 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 and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 15-1, Tower B, Jaya 99, 99 Jalan Tun Sri Lanang, P.O. Box 140, 75720 Melaka, Malaysia
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MSTS ASIA SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 502823 K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and 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 unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MSTS ASIA SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 502823 K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, 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.

(b) 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 Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or 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 auditors' report to the related disclosures in the financial statements of the Group and of the Company 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 auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MSTS ASIA SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 502823 K)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MANOHAR BENJAMIN JOHNSON
03301/05/2021 J
Chartered Accountant

Melaka
31 July 2019

MSTS ASIA SDN. BHD.
(Company No. 502823 - K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017
(In Ringgit Malaysia)

Company No. 502823 - K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

CONTENTS

Company No. 502823 - K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

REPORT OF THE DIRECTORS

The directors of **MSTS ASIA SDN. BHD.** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are providing maritime safety training and consultancy services for the oil and gas industry.

The subsidiaries are principally involved in providing safety training services for the oil and gas industry and healthcare services. The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 10 to the Financial Statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	21,842,992	21,250,801
Income tax expense	(5,256,760)	(5,054,503)
Profit for the year	16,586,232	16,196,298

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the date of the last report, a final single tier dividend of RM20 per ordinary share, amounting to RM10,000,000 in respect of the previous financial year, was declared and paid by the Company during the financial year.

The directors propose a final single tier dividend of RM24 per ordinary shares, amounting to RM12,000,000 in respect of the current financial year.

The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2018.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transactions or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Wan Shukry bin Wan Karma
Fisson bin Ahmad
Marwalis binti Mohd Kassim
Lizette Kjellerup (appointed on 2 May 2017)
Torben Harring (appointed on 22 November 2017)
Tom Bjerg Lauritzen (appointed on 2 May 2017 and resigned on 22 November 2017)
Hans Jensen (resigned on 2 May 2017)
Bo Uggerhøj (resigned on 2 May 2017)

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	No. of ordinary shares of RM1 each			
	As of 1.1.2017	Bought	Sold	As of 31.12.2017
Shares in the Company				
Registered in the name of director				
Wan Shukry Bin Wan Karma	300,000	-	-	300,000

By virtue of the above director's interests in the shares of the holding company, the abovementioned director is also deemed to have interests in the shares of the Company and of its related companies to the extent that the holding company has an interest.

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains directors' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors of the Company. The amount of insurance premium paid during the year amounted to RM4,292.

Company No. 502823 - K

HOLDING COMPANIES

The Company is a wholly-owned subsidiary company of Falck Global Safety B.V., a company incorporated in Netherlands. The directors regard Falck Global Safety B.V and Falck Holding A/S., which are incorporated in the Netherlands and Denmark respectively, as the intermediate and ultimate holding company respectively.

AUDITORS

The auditors, Deloitte & Touche PLT, have indicated their willingness to continue in office

AUDITORS' REMUNERATION

The amount payable as remuneration of the auditors for the financial year ended 31 December 2017 is as disclosed in Note 7 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WAN SHUKRY BIN WAN KARMA

FISSON BIN AHMAD

Melaka,
14 June 2018

Company No. 502823 - K

Deloitte.

Deloitte & Touche PLT
(LLP0010197-LCA)
Chartered Accountants (AF0834)
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MSTS ASIA SDN. BHD.**, which comprise the statements of financial position as of 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 65.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' 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 and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

(Forward)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and 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 unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

(Forward)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Group and of the Company, 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or 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 auditors' report to the related disclosures in the financial statements of the Group and of the Company 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 auditors' report. However,. future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entties or business activities within the Group to express and opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

(Forward)

Company No. 502823 - K

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 10 to the financial statements.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE & TOUCHE PLT (LLP0010197-LCA)
Chartered Accountants (AF 0834)

KAMARUL BAHARIN BIN TENGKU ZAINAL ABIDIN
Partner - 02903/11/2019 J
Chartered Accountant

14 June 2018

Company No. 502823 - K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Revenue	5	50,146,587	47,652,340	40,862,521	38,755,097
Cost of services		(20,883,791)	(20,660,361)	(14,785,874)	(14,109,315)
Gross profit		29,262,796	26,991,979	26,076,647	24,645,782
Investment income	6	128,054	577,670	57,911	52,330
Other income		256,514	1,540,214	1,610,016	2,287,725
General and administrative expenses		(7,556,482)	(4,636,729)	(6,262,384)	(3,638,159)
Other expenses		(247,890)	(275,053)	(231,389)	(264,053)
Profit before tax	7	21,842,992	24,198,081	21,250,801	23,083,625
Income tax expense	8	(5,256,760)	(6,067,649)	(5,054,503)	(5,988,737)
Profit for the year		16,586,232	18,130,432	16,196,298	17,094,888
Other comprehensive (loss)/income, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		(44,331)	23,412	-	-
Total comprehensive income for the year		16,541,901	18,153,844	16,196,298	17,094,888

(Forward)

	The Group		The Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit attributable to:				
Owners of the Company	16,517,764	18,102,714	16,196,298	17,094,888
Non-controlling interests	68,468	27,718	-	-
Profit for the year	16,586,232	18,130,432	16,196,298	17,094,888
Total comprehensive income attributable to:				
Owners of the Company	16,473,433	18,126,126	16,196,298	17,094,888
Non-controlling interests	68,468	27,718	-	-
Total comprehensive income for the year	16,541,901	18,153,844	16,196,298	17,094,888

The accompanying Notes form an integral part of the Financial Statements.

Company No. 502823 - K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2017

	Note	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	9	5,358,385	3,617,503	4,931,899	3,116,474
Investment in subsidiary companies	10	-	-	675,602	675,602
Deferred tax assets	11	234,779	345,023	276,337	382,707
Total Non-current Assets		5,593,164	3,962,526	5,883,838	4,174,783
Current Assets					
Inventories	12	95,794	76,918	-	-
Trade receivables	13	11,220,259	9,390,962	9,157,451	7,204,649
Other receivables and prepaid expenses	13	887,121	928,682	588,101	749,740
Tax recoverable		341,728	105,964	306,253	83,549
Amount owing by subsidiary companies	14	-	-	99,266	56,145
Amount owing by other related companies	14	1,542,488	1,799,964	1,535,061	1,035,027
Cash and bank balances	15	19,406,559	16,927,883	15,532,877	13,190,385
Total Current Assets		33,493,949	29,230,373	27,219,009	22,319,495
TOTAL ASSETS		39,087,113	33,192,899	33,102,847	26,494,278

(Forward)

Company No. 502823 - K

	Note	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	16	1,100,000	500,000	1,100,000	500,000
Share premium	17	-	600,000	-	600,000
Translation reserve	17	151,490	195,821	-	-
Retained earnings	17	27,100,732	20,582,968	24,798,645	18,602,347
		28,352,222	21,878,789	25,898,645	19,702,347
Non-controlling interests		203,090	134,622	-	-
Total Equity		28,555,312	22,013,411	25,898,645	19,702,347
Non-current Liability					
Other liabilities	18	1,548,348	2,055,048	1,393,572	1,801,644
Current Liabilities					
Trade payables	19	1,408,260	1,907,095	470,789	541,847
Other payables and accrued expenses	19	4,773,390	4,404,936	3,350,843	3,077,008
Other liabilities	18	155,575	880,485	155,575	880,485
Amount owing to other related companies	14	2,523,104	1,868,242	1,833,423	490,947
Tax liabilities		123,124	63,682	-	-
Total Current Liabilities		8,983,453	9,124,440	5,810,630	4,990,287
Total Liabilities		10,531,801	11,179,488	7,204,202	6,791,931
TOTAL EQUITY AND LIABILITIES		39,087,113	33,192,899	33,102,847	26,494,278

The accompanying Notes form an integral part of the Financial Statements.

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Group	Note	← Attributable to owners of the Company → Issued capital RM	Non-distributable reserve - Share premium RM	Non-distributable reserve - Translation reserve RM	Distributable reserve - Retained earnings RM	Total RM	Non-controlling interests RM	Total RM
As of 1 January 2016		500,000	600,000	172,409	22,480,254	23,752,663	106,904	23,859,567
Profit for the year		-	-	-	18,102,714	18,102,714	27,718	18,130,432
Other comprehensive income for the year		-	-	23,412	-	23,412	-	23,412
Total comprehensive income for the year		-	-	23,412	18,102,714	18,126,126	27,718	18,153,844
Dividends	20	-	-	-	(20,000,000)	(20,000,000)	-	(20,000,000)
As of 31 December 2016		500,000	600,000	195,821	20,582,968	21,878,789	134,622	22,013,411

(Forward)

	Note	Issued capital RM	Non-distributable reserve - Share premium RM	Non-distributable reserve - Translation reserve RM	Distributable reserve - Retained earnings RM	Total RM	Non-controlling interests RM	Total RM
		← Attributable to owners of the Company →						
As of 1 January 2017		500,000	600,000	195,821	20,582,968	21,878,789	134,622	22,013,411
Profit for the year		-	-	-	16,517,764	16,517,764	68,468	16,586,232
Other comprehensive loss for the year		-	-	(44,331)	-	(44,331)	-	(44,331)
Total comprehensive income for the year		-	-	(44,331)	16,517,764	16,473,433	68,468	16,541,901
Transfer arising from "no par value" regime	16	600,000	(600,000)	-	-	-	-	-
Dividends	20	-	-	-	(10,000,000)	(10,000,000)	-	(10,000,000)
As of 31 December 2017		1,100,000	-	151,490	27,100,732	28,352,222	203,090	28,555,312

(Forward)

The Company	Note	Issued capital RM	Non-distributable reserve - Share premium RM	Distributable reserve - Retained earnings RM	Total RM
As of 1 January 2016		500,000	600,000	21,507,459	22,607,459
Profit for the year, representing total comprehensive income for the year		-	-	17,094,888	17,094,888
Dividends	20	-	-	(20,000,000)	(20,000,000)
As of 31 December 2016		500,000	600,000	18,602,347	19,702,347
As of 1 January 2017		500,000	600,000	18,602,347	19,702,347
Profit for the year, representing total comprehensive income for the year		-	-	16,196,298	16,196,298
Transfer arising from "no par value" regime	16	600,000	(600,000)	-	-
Dividends	20	-	-	(10,000,000)	(10,000,000)
As of 31 December 2017		1,100,000	-	24,798,645	25,898,645

The accompanying Notes form an integral part of the Financial Statements.

Company No. 502823 - K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	The Group		The Company	
		2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		21,842,992	24,198,081	21,250,801	23,083,625
Adjustments for:					
Depreciation of property, plant and equipment		883,837	1,048,922	762,094	913,817
Bad debts written off		64,464	86,791	55,493	80,418
Unrealised loss on foreign exchange		427,174	38,645	397,129	38,645
Interest income		(128,054)	(577,670)	(57,911)	(52,330)
Property, plant and equipment written off		438	656	438	299
Reversal of provision for retention scheme		(349,396)	(310,627)	(250,768)	(316,765)
Allowance for/(Reversal of) doubtful debts - net		973,768	(459,564)	855,191	(553,471)
Operating Profit Before Working Capital Changes		23,715,223	24,025,234	23,012,467	23,194,238
(Increase)/Decrease in:					
Inventories		(18,876)	(38,795)	-	-
Trade receivables		(3,358,113)	109,080	(3,324,025)	1,057,163
Other receivables and prepaid expenses		41,561	(196,138)	161,639	(202,210)
Amount owing by subsidiary companies		-	-	(1,597,214)	182,111
Amount owing by other related companies		260,321	(908,042)	(497,189)	(153,375)

(Forward)

	Note	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Increase/(Decrease) in:					
Trade payables		(498,879)	701,380	(71,102)	(257,484)
Other payables and accrued expenses		367,439	(175,967)	272,820	(354,922)
Amount owing to other related companies		647,561	(42,909)	1,542,268	(552,615)
Cash generated from operations		21,156,237	23,473,843	19,499,664	22,912,906
Staff retention scheme paid		(882,214)	-	(882,214)	-
Income tax paid - net		(5,321,229)	(7,451,373)	(5,170,837)	(7,360,618)
Net Cash Generated From Operating Activities		14,952,794	16,022,470	13,446,613	15,552,288
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES					
Interest received		128,054	577,670	57,911	52,330
Purchase of property, plant and equipment		(2,625,157)	(650,200)	(2,577,957)	(179,608)
Dividend received		-	-	1,347,000	304,000
Net Cash (Used In)/From Investing Activities		(2,497,103)	(72,530)	(1,173,046)	176,722
CASH FLOWS USED IN FINANCING ACTIVITY					
Dividends paid		(10,000,000)	(20,000,000)	(10,000,000)	(20,000,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,455,691	(4,050,060)	2,273,567	(4,270,990)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		16,927,883	20,911,340	13,190,385	17,420,272
Effect of exchange rate differences		22,985	66,603	68,925	41,103
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	19,406,559	16,927,883	15,532,877	13,190,385

The accompanying Notes form an integral part of the Financial Statements.

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company is principally involved in the business of providing maritime safety training and consultancy services for the oil and gas industry. The principal activities of its subsidiary companies are disclosed in Note 10. There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at 606 & 607, Jalan Melaka Raya 10, Taman Melaka Raya, 75000 Melaka.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 14 June 2018.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Application of Amendments to Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company has applied a number of amendments to MFRSs issued by Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual financial periods beginning on or after 1 January 2017 as follows:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 Cycle

The application of these amendments to MFRSs has no material impact on the disclosures or on the amount recognised in the financial statements of the Group and of the Company.

Standards, Amendments and Issues Committee Interpretations ("IC Interpretations") in Issue but Not Yet Effective

The directors anticipate that the following Standards and Amendments to MFRSs and IC Interpretations will be adopted in the annual financial statements of the Company when they become effective.

MFRS 9	Financial Instruments[1]
MFRS 15	Revenue from Contracts with Customers[1]
MFRS 16	Leases[2]
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 Cycle[1]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[2]
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration[1]
IC Interpretation 23	Uncertainty Over Income Tax Payments[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

The directors anticipate that the abovementioned new and revised Standards and IC Int. will be adopted in the financial statements of the Group and of the Company when they become effective and that the adoption of these new and revised Standards and IC Int. will have no material impact on the amounts reported in the financial statements of the Group and of the Company in the period of initial application except as discussed below:

MFRS 9 *Financial Instruments*

MFRS 9 (IFRS 9 issued by IASB in November 2009) introduced new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS 9 issued by IASB in October 2010) includes requirements for the classification and measurement of financial liabilities and for de-recognition, and in February 2014, the new requirements for general hedge accounting was issued by MASB. Another revised version of MFRS 9 was issued by MASB - MFRS 9 (IFRS 9 issued by IASB in July 2014) mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- All recognised financial assets that are within the scope MFRS 139 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost as of the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at the fair value as of the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about and entity's risk management activities have also been introduced.

Based on the analysis of the Group's and the Company's financial assets and financial liabilities as at December 31, 2017 on the basis of the facts and circumstances that exist as of that date, the directors of the Company have assessed the impact of MFRS 9 to the Company's financial statements. All financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under MFRS 139.

MFRS 15 Revenue from Contract with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue,* MFRS 111 *Construction Contracts* and the related interpretation when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the good or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

Based on the facts and circumstances that exist at that date, the directors of the Company have assessed the impact of MFRS 15 to the Group's and to the Company's financial statements. The directors do not anticipate that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in these financial statements.

MFRS 16 Leases

MFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. MFRS 16 will supersede the current lease guidance including MFRS 17 *Leases* and the related interpretations when it becomes effective.

MFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinction of operating leases (off statement of financial position) and finance leases (on statement of financial position) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on statement of financial position) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under MFRS 17 are presented as operating cash flows; whereas under the MFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The directors anticipate that the application of MFRS 16 in the future may have a material impact on the amount reported and disclosures made in these financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until the Group and the Company complete a detailed review.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policy stated below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's Ownership Interests in Existing Subsidiary Companies

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Subsidiary Companies

Investment in subsidiary companies which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

The acquisition of subsidiary companies and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with *MFRS 112 Income Taxes* and *MRFS 119 Employee Benefits* respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with *MFRS 2 Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with *MFRS 5 Non-current Assets held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in other Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted restrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumtances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depend on how the contingent cosideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree are remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumtances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

Revenue

Revenue from services rendered and provision of medicine and medical services are recognised in the statement of profit or loss and other comprehensive income upon rendering of services.

Interest income is recognised on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income is recognised when the shareholder's right to receive payment is established.

Foreign Currencies

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entities operate (the functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group and of the Company, transactions in currencies other than entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year, except for the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Employee Benefits

(i) *Short term benefits*

Wages, salaries, paid leave and bonuses are recognised in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) *Defined contribution plan*

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Once the contributions have been paid, the Group and the Company have no further payment obligations. The Group's and the Company's contribution to EPF are disclosed separately. The employees' contributions to EPF are included in staff costs.

(iii) *Other long-term employee benefits*

The Group and the Company provide long service incentive scheme for employees who fulfill certain conditions. The provision for retention scheme is derived from any excess of unutilised yearly provision for bonus as at year end. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash flows expected to be made by the Group and the Company in respect of services provided by employees up to the reporting date.

Taxation

Income tax for the year comprises current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's liability for current tax as recognised in profit or loss, is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and the subsidiary companies intend to settle its current tax assets and liabilities on a net basis. The tax effects of the unutilised reinvestment allowance are recognised only upon actual realisation.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment, except for work-in-progress which is not depreciated, is computed on the straight-line method at the following annual rates based on the estimated useful lives of the various assets. The annual depreciation rates are as follows:

Buildings	3%
Training barge and training ground	3.33% - 33.33%
Training plant and equipment	10% - 33.33%
Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment	20% - 33.33%

The useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of future economic benefits embodied in the property, plant and equipment.

A gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the "first-in first-out" basis. The cost of inventory comprises the original price plus the cost of bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

In arriving at net realisable values, due allowance is made for all obsolete and slow moving inventories.

Impairment of Non-Financial Assets

At the end of each reporting period, the Group and the Company review the carrying amounts of assets (other than inventories and financial assets, which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the asset's recoverable amount, which is the higher of fair value less costs of disposal and value in use, is estimated. When it is not possible to estimate recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Whenever the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

An impairment loss is only reversed in profit or loss to the revised estimate of its recoverable amount, to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Provisions

Provisions are made when the Group and the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a realisable estimate of the amount can be made.

At the end of each reporting period, the provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Company will be required to settle the obligation.

Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when, and only when, the Company and its subsidiary companies becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Financial instruments categories and subsequent measurement

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as "at fair value through profit or loss" ("FVTPL").

Financial assets

Financial assets are classified into the following specified categories: financial assets at FVTPL, "held-to-maturity" investments, "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group's and the Company's principal financial assets are trade and other receivables, intercompany indebtedness, cash and bank balances which are initially measured at fair value and subsequently measured at amortised cost.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market (including fixed deposits with financial institutions). Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting would be immaterial.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities and Equity Instruments

(a) **Classification as Debt or Equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

(b) **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

The Group's and the Company's significant financial liabilities include trade and other payables and amount owing to a corporate shareholder and affiliated companies which are initially measured at fair value and subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract as determined in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies disclosed above.

*(iii) **Derecognition***

A financial asset is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events that occurred after initial recognition of the financial assets, having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate.

For receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

In the application of the Group's and the Company's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

<u>Allowance for doubtful debts</u>

Allowance for doubtful debts is made based on the evaluation of collectability and aging analysis of accounts and on management's estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers with which the Group and the Company deal were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

The Group and the Company had provided for allowance of RM1,804,235 (2016: RM830,467) and RM1,422,948 (2016: RM567,757) respectively, in respect of doubtful debts as of 31 December 2017, as disclosed in Note 13.

5. REVENUE

	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Services rendered	50,146,587	47,652,340	40,862,521	38,755,097

6. INVESTMENT INCOME

	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Interest income from fixed deposits	128,054	577,670	57,911	52,330

7. PROFIT BEFORE TAX

Profit before is arrived at after crediting/(charging):

	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Realised (loss)/gain on foreign exchange	(966,309)	562,432	(881,109)	582,530
Unrealised loss on foreign exchange	(427,174)	(38,645)	(397,129)	(38,645)
Reversal of provision for retention scheme	349,396	310,627	250,768	316,765
(Allowance for)/Reversal of doubtful debts	(973,768)	459,564	(855,191)	553,471
Staff costs	(6,648,343)	(6,476,953)	(4,322,708)	(4,925,745)
Depreciation of property, plant and equipment	(883,837)	(1,048,922)	(762,094)	(913,817)
Rental expenses	(2,077,428)	(1,933,675)	(751,863)	(633,848)
Property, plant and equipment written off	(438)	(656)	(438)	(299)
Bad debts written off	(64,464)	(86,791)	(55,493)	(80,418)
Directors' remuneration	(1,464,299)	(1,373,422)	(1,065,767)	(1,036,135)
Audit fee	(101,721)	(88,781)	(40,059)	(36,855)

Staff costs include salaries, contributions to EPF, bonuses and all other related expenses. EPF contributions made during the financial year by the Group and the Company amounted to RM744,177 (2016: RM580,992) and RM472,970 (2016: RM346,990), respectively.

Directors' remuneration consists of:

	The Group		The Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Executive directors:				
Fees	414,111	401,212	354,455	338,663
Salaries and other emoluments	1,050,188	972,210	711,312	697,472
	1,464,299	1,373,422	1,065,767	1,036,135

8. INCOME TAX EXPENSE

	The Group		The Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Malaysian income tax:				
Current year	5,028,146	5,407,781	4,942,383	5,370,614
Underprovision in prior years	2,261	682,569	5,750	680,392
	5,030,407	6,090,350	4,948,133	6,051,006
Foreign income tax:				
Current year	116,109	57,258	-	-
Overprovision in prior years	-	(14,967)	-	-
	116,109	42,291	-	-
Deferred tax (Note 11):				
Current year	140,231	(34,559)	158,657	(58,179)
Overprovision in prior years	(29,987)	(30,433)	(52,287)	(4,090)
	110,244	(64,992)	106,370	(62,269)
	5,256,760	6,067,649	5,054,503	5,988,737

A reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax	21,842,992	24,198,081	21,250,801	23,083,625
Tax at Malaysian statutory rate of:				
18% (2016: 19%) on first RM500,000 of chargeable income	90,000	95,000	90,000	95,000
24% (2016: 24%) on the balance of chargeable income	5,122,318	5,687,539	4,980,192	5,420,070
Tax effects of:				
Different tax rate in foreign jurisdiction	(101,890)	(85,356)	-	-
Expenses not deductible for tax purposes	358,018	77,399	354,128	66,788
Income not subject to tax	(44,373)	(205,980)	(323,280)	(269,423)
Tax exempt income	(139,107)	(140,522)	-	-
Deferred tax assets not recognised	-	2,400	-	-
Utilisation of deferred tax assets previously not recognised	(480)	-	-	-
Under/(Over) provision in prior years:				
Current tax	2,261	667,602	5,750	680,392
Deferred tax	(29,987)	(30,433)	(52,287)	(4,090)
Tax expense for the year	5,256,760	6,067,649	5,054,503	5,988,737

As of 31 December 2017, the Company has the following tax-exempt income accounts amounting to about:

(a) RM7,635,000 (2016: RM6,471,600) arising from Income Tax (Exemption) (No. 9) 2002; and

(b) RM10,973,800 (2016: RM10,669,800) arising from foreign dividend income remitted in accordance with Para 28, Schedule 6 of Income Tax Act, 1967.

The balances in the tax exempt income accounts, which are subject to the agreement with the tax authorities, are available for distribution of tax exempt dividends up to the same amount.

Small and medium enterprise ("SME") in Malaysia is defined as a company resident in Malaysia with paid-up capital of ordinary shares of RM2.5 million or less at the beginning of the basis period of a year of assessment whereby such company does not control or is controlled directly or indirectly by another company which has a paid-up capital of more than RM2.5 million in respect of ordinary shares. SMEs are subject to income tax at the rate of 18% (2016: 19%) on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the corporate income tax rate was 24% (2016: 24%).

9. PROPERTY, PLANT AND EQUIPMENT

The Group	Buildings RM	Training barge and training ground RM	Training plant and equipment RM	Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment RM	Work in progress RM	Total RM
Cost						
As of 1 January 2016	830,000	5,363,806	5,445,622	4,991,196	114,791	16,745,415
Additions	-	-	112,590	495,149	42,461	650,200
Write-offs	-	-	(6,554)	(29,866)	-	(36,420)
Reclassification	-	-	109,027	-	(109,027)	-
As of 31 December 2016/ 1 January 2017	830,000	5,363,806	5,660,685	5,456,479	48,225	17,359,195
Additions	-	1,244,936	223,218	174,728	982,275	2,625,157
Write-offs	-	-	(6,180)	(24,788)	-	(30,968)
Reclassification		-	-	36,700	(36,700)	-
As of 31 December 2017	830,000	6,608,742	5,877,723	5,643,119	993,800	19,953,384

(Forward)

The Group	Buildings RM	Training barge and training ground RM	Training plant and equipment RM	Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment RM	Work in progress RM	Total RM
Accumulated depreciation						
As of 1 January 2016	175,269	4,143,548	4,605,305	3,804,412	-	12,728,534
Charge for the year	25,315	428,108	224,063	371,436	-	1,048,922
Write-offs	-	-	(6,554)	(29,210)	-	(35,764)
As of 31 December 2016/ 1 January 2017	200,584	4,571,656	4,822,814	4,146,638	-	13,741,692
Charge for the year	25,246	236,543	206,243	415,805	-	883,837
Write-offs	-	-	(6,180)	(24,350)		(30,530)
As of 31 December 2017	225,830	4,808,199	5,022,877	4,538,093	-	14,594,999
Net book value						
As of 31 December 2017	604,170	1,800,543	854,846	1,105,026	993,800	5,358,385
As of 31 December 2016	629,416	792,150	837,871	1,309,841	48,225	3,617,503

(Forward)

The Company	Buildings RM	Training barge and training ground RM	Training plant and equipment RM	Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment RM	Work in Progress RM	Total RM
Cost						
As of 1 January 2016	830,000	5,363,806	4,717,824	4,359,312	114,791	15,385,733
Additions	-	-	36,000	101,147	42,461	179,608
Write-offs	-	-	(3,760)	(28,655)	-	(32,415)
Reclassification	-	-	109,027	-	(109,027)	-
As of 31 December 2016/ 1 January 2017	830,000	5,363,806	4,859,091	4,431,804	48,225	15,532,926
Additions	-	1,244,936	203,206	147,540	982,275	2,577;957
Write-offs	-	-	(6,180)	(24,788)	-	(30,968)
Reclassification	-	-	-	36,700	(36,700)	-
As of 31 December 2017	830,000	6,608,742	5,056,117	4,591,256	993,800	18,079,915

(Forward)

The Company	Buildings RM	Training barge and training ground RM	Training plant and equipment RM	Furniture, fittings, office equipment, motor vehicles, renovation and computer equipment RM	Work in Progress RM	Total RM
Accumulated depreciation						
As of 1 January 2016	175,269	4,143,548	4,111,557	3,104,377	-	11,534,751
Charge for the year	25,315	428,108	169,920	290,474	-	913,817
Write-offs	-	-	(3,760)	(28,356)	-	(32,116)
As of 31 December 2016/ 1 January 2017	200,584	4,571,656	4,277,717	3,366,495	-	12,416,452
Charge for the year	25,246	236,543	189,384	310,921	-	762,094
Write-offs	-	-	(6,180)	(24,350)	-	(30,530)
As of 31 December 2017	225,830	4,808,199	4,460,921	3,653,066	-	13,148,016
Net book value						
As of 31 December 2017	604,170	1,800,543	595,196	938,190	993,800	4,931,899
As of 31 December 2016	629,416	792,150	581,374	1,065,309	48,225	3,116,474

Included in property, plant and equipment of the Group and the Company are fully depreciated property, plant and equipment which are still in use with an aggregate cost of approximately RM10,874,000 (2016: RM10,406,000) and RM10,214,000 (RM9,859,000), respectively.

10. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2017	2016
	RM	RM
Unquoted shares - at cost	675,602	675,602

Details of the subsidiary companies are as follows:

Name of company	Proportion of ownership interest and voting power held by the Group		Country of incorporation	Principal activities
	2017	2016		
Risktec (M) Sdn. Bhd.	100%	100%	Malaysia	Dormant.
MSTS Asia Singapore Pte. Ltd. *	100%	100%	Singapore	Providing safety training services for the oil and gas industry.
Falck Bestari Healthcare Sdn. Bhd.	82%	82%	Malaysia	Providing primary healthcare and other services.

* The financial statements are audited by other member firms of Deloitte & Touche.

11. DEFERRED TAX ASSETS

	2017	2016
	RM	RM
The Group		
As of 1 January	345,023	280,031
Credit/(Charge) to profit or loss (Note 8):		
Property, plant and equipment	30,998	95,078
Other payables and accrued expenses	(141,242)	(30,086)
	(110,244)	64,992
As of 31 December	234,779	345,023

(Forward)

	2017 RM	2016 RM
The Company		
As of 1 January	382,707	320,438
Credit/(Charge) to profit or loss (Note 8):		
Property, plant and equipment	32,532	88,995
Other payables and accrued expenses	(138,902)	(26,726)
	(106,370)	62,269
As of 31 December	276,337	382,707

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

The Group	2017 RM	2016 RM
Temporary differences arising from:		
Other payables and accrued expenses	623,573	764,815
Property, plant and equipment	(388,794)	(419,792)
	234,779	345,023

The Company

Temporary differences arising from:		
Other payables and accrued expenses	629,273	768,175
Property, plant and equipment	(352,936)	(385,468)
	276,337	382,707

As mentioned in Note 3, deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 31 December 2017, the estimated amount of unused tax losses and unabsorbed capital allowances, for which deferred tax assets have not been recognised in the financial statements due to uncertainty of their realisation, are as follows:

	The Group	
	2017	2016
	RM	RM
Unused tax losses	538,000	540,000
Unabsorbed capital allowances	12,000	12,000
	550,000	552,000

The unused tax losses and unabsorbed capital allowances, subject to the agreement by the Inland Revenue Board, are available to offset against future taxable profit.

12. INVENTORIES

	The Group	
	2017	2016
	RM	RM
At cost:		
Medicine	95,794	76,918

13. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group	
	2017	2016
	RM	RM
Trade receivables	13,024,494	10,221,429
Allowance for doubtful debts	(1,804,235)	(830,467)
	11,220,259	9,390,962

(Forward)

	The Company	
	2017	2016
	RM	RM
Trade receivables	10,580,399	7,772,406
Allowance for doubtful debts	(1,422,948)	(567,757)
	9,157,451	7,204,649

Movement in the allowance for doubtful debts:

	The Group	
	2017	2016
	RM	RM
As of 1 January	830,467	1,290,031
Allowance/(Reversal) during the year - net	973,768	(459,564)
As of 31 December	1,804,235	830,467

	The Company	
	2017	2016
	RM	RM
As of 1 January	567,757	1,121,228
Allowance/(Reversal) during the year - net	855,191	(553,471)
As of 31 December	1,422,948	567,757

Trade receivables are classified as loans and receivables and are therefore measured at amortised cost.

Trade receivables comprise amounts receivable from services rendered. The credit period granted on services rendered ranges from cash terms to 30 days (2016: cash terms to 30 days).

The currency exposure profile of trade receivables is as follows:

	The Group	
	2017 RM	2016 RM
United States Dollar	6,447,741	5,182,192
Ringgit Malaysia	5,602,236	4,074,842
Singapore Dollar	974,517	964,395
	13,024,494	10,221,429

	The Company	
	2017 RM	2016 RM
United States Dollar	5,377,449	3,989,406
Ringgit Malaysia	5,202,950	3,783,000
	10,580,399	7,772,406

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group and the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group and the Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right to offset against any amounts owed by the Group and the Company to the counterparty.

Aging of trade receivables are categorised into non-impaired and impaired as follow:

	The Group	
	2017 RM	2016 RM
Not impaired:		
Not past due	3,776,039	3,457,528
1 - 30 days	2,981,014	2,656,,733
31 - 60 days	1,930,515	1,353,517
More than 60 days	2,532,691	1,923,184
Total	11,220,259	9,390,962
Average age (days)	81	72

(Forward)

	The Company	
	2017	2016
	RM	RM
Non-impaired:		
Not past due	3,142,080	2,865,167
1 - 30 days	2,350,028	2,351,606
31 - 60 days	1,347,615	1,088,471
More than 60 days	2,317,728	899,405
Total	9,157,451	7,204,649
Average age (days)	81	68

Analysis of ageing of impaired trade receivables:

	The Group	
	2017	2016
	RM	RM
More than 60 days	1,804,235	830,467

	The Company	
	2017	2016
	RM	RM
More than 60 days	1,422,948	567,757

An allowance has been made for estimated irrecoverable amounts from services rendered and sales of training courses of RM1,804,235 (2016: RM830,467) and RM1,422,948 (2016: RM567,757) for the Group and for the Company, respectively. This allowance has been determined by reference to past default experience of the Group and the Company.

In determining the recoverability of a trade receivable, the Group and the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Other receivables and prepaid expenses consist of:

	2017 RM	2016 RM
The Group		
Deposits	516,409	398,251
Other receivables	211,496	355,646
Prepaid expenses	159,216	174,785
	887,121	928,682
The Company		
Deposits	234,713	234,335
Other receivables	211,496	355,646
Prepaid expenses	141,893	159,759
	588,102	749,740

The currency exposure profile of other receivables and prepaid expenses is as follows:

	2017 RM	2016 RM
The Group		
Ringgit Malaysia	725,642	765,828
Singapore Dollar	161,479	162,854
	887,121	928,682
The Company		
Ringgit Malaysia	588,101	749,740

14. RELATED PARTY TRANSACTIONS

Amount owing by subsidiary companies are eliminated on consolidation, which arose mainly from unsecured advances, is interest-free and repayable on demand.

Amount owing by/to other related companies, arose mainly from royalty payable and trade transactions, are unsecured, interest-free and are payable within the normal trade terms of 30 days (2016: 30 days).

During the financial year, significant transactions undertaken on basis agreed with related companies are as follows:

	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Subsidiary companies				
Dividend income	-	-	1,347,000	304,000
Accounting fee	-	-	6,000	6,000
Medical expenses	-	-	-	89,950
Support service fee	-	-	369,000	369,000
Sales of training courses	-	-	96,227	130,983
Course registration fee	-	-	49,715	1,707
Other external medical fee	-	-	82,258	-
Other expenses	-	-	-	44,316
Rental Income	-	-	96,000	62,452
Other related companies				
Management fee payable	1,879,589	900,000	1,879,589	900,000
Technical license fee	374,390	352,248	374,390	352,248
Royalty fee payable	1,337,088	1,346,552	1,102,000	1,142,000
Support service fee	701,409	735,061	701,409	735,061
Sales of training courses	188,000	149,627	188,000	148,609
Course registration fee	103,269	6,853	103,269	6,853
Rental fee	610,495	623,479	-	-
Medical fee	-	1,725	-	-
External trainer fee payable	67,147	-	67,147	-
Other expenses	46,233	24,048	45,933	24,048
Share IT cost	140,955	175,637	137,750	175,637
Insurance	6,479	15,485	5,513	15,485

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company includes Executive Directors and Non-Executive Directors of the Group and of the Company.

The remuneration of key management personnel during the year are as follows:

	The Group 2017 RM	The Group 2016 RM	The Company 2017 RM	The Company 2016 RM
Executives directors:				
Fees	414,111	401,212	354,455	338,663
Salaries and other emoluments	1,050,188	972,210	711,312	697,472
Short-term benefits	1,464,299	1,373,422	1,065,767	1,036,135

15. CASH AND BANK BALANCES

	2017 RM	2016 RM
The Group		
Fixed deposits with licensed banks	5,499,132	4,158,934
Cash and bank balances	13,907,427	12,768,949
	19,406,559	16,927,883
The Company		
Fixed deposits with licensed banks	5,251,732	3,905,409
Cash and bank balances	10,281,145	9,284,976
	15,532,877	13,190,385

The currency exposure profile of fixed deposits, cash and bank balances of the Group and the Company is as follows:

	2017 RM	2016 RM
The Group		
Ringgit Malaysia	9,851,443	10,532,610
United States Dollar	6,745,364	3,413,387
Singapore Dollar	2,809,752	2,981,886
	19,406,559	16,927,883
The Company		
Ringgit Malaysia	9,045,990	9,925,167
United States Dollar	6,486,887	3,265,218
	15,532,877	13,190,385

The average interest rates are as follows:

	2017 %	2016 %
The Group and The Company		
Fixed deposits with licensed banks	3.55	3.26

16. SHARE CAPITAL

	The Group and The Company 2017 RM	2016 RM
Authorised:		
500,000 ordinary shares of RM1 each	-	500,000
Issued and fully paid:		
500,000 ordinary shares:		
As of 1 January	500,000	500,000
Transfer from share premium reserve (Note 17)	600,000	-
As of 31 December	1,100,000	500,000

The Company's issued share capital comprises ordinary shares with a par value of RM1 each. The new Companies Act, 2016 (Act), which came into operation on January 31, 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

In accordance with the transitional provisions of the Act, the amount standing to the credit of the Company's share premium account has become part of the Company's share capital. These changes do not have an impact on the number of shares in issue or the relative entitlement of any of the shareholders.

However, the Company has a period of 24 months from the effective date of the Act to use the existing balances credited in the share premium account in a manner as specified by the Act.

17. RESERVES

	2017 RM	2016 RM
The Group		
Distributable reserve:		
Retained earnings	27,100,732	20,582,968
Non-distributable reserves:		
Share premium (Note 16)	-	600,000
Translation reserve	151,490	195,821
	151,490	795,821
	27,252,222	21,378,789
The Company		
Distributable reserve:		
Retained earnings	24,798,645	18,602,347
Non-distributable reserve:		
Share premium (Note 16)	-	600,000
	24,798,645	19,202,347

Retained earnings

Distributable reserves are those available for distribution as dividends.

The Company distributes dividends out of its retained earnings as of 31 December 2017 under the single tier income tax system.

Share premium

Share premium arose from the issuance of 300,000 ordinary shares of RM1 each at an issue price of approximately RM3 per ordinary share in prior years.

Translation reserve

The translation reserve comprises of foreign currency differences arising from the translation of the financial statements of foreign operation.

18. OTHER LIABILITIES

Other liabilities represent provision for retention scheme for the long service incentive scheme for employees. The estimate has been derived from any excess of unutilised yearly provision for bonus as at year end.

Other liabilities provided in the financial statements are in respect of the following:

	2017 RM	2016 RM
The Group		
Non-current	1,548,348	2,055,048
Current	1,55,575	880,485
	1,703,923	2,935,533
The Company		
Non-current	1,393,572	1,801,644
Current	155,575	880,485
	1,549,147	2,682,129

Movement of the provision is as follows:

	2017 RM	2016 RM
The Group		
As of 1 January	2,935,533	3,246,160
Provision during the year	128,035	612,715
Reversal of unutilised provision in prior years	(477,431)	(923,342)
Payment during the year	(882,214)	-
As of 31 December	1,703,923	2,935,533
The Company		
As of 1 January	2,682,129	2,998,894
Provision during the year	226,663	606,577
Reversal of unutilised provision in prior years	(477,431)	(923,342)
Payment during the year	(882,214)	-
As of 31 December	1,549,147	2,682,129

19. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group and the Company for trade purchases is 30 days (2016: 30 days).

The currency exposure profile of trade payables of the Group and the Company are as follows:

	2017 RM	2016 RM
The Group		
Ringgit Malaysia	443,650	337,999
United States Dollar	486,727	1,043,255
Singapore Dollar	238,965	67,490
Great Britain Pound	47,055	206,537
EURO	119,616	115,172
Australian Dollar	51,668	127,857
Thai Baht	1,240	2,000
New Zealand Dollar	812	-
Canadian Dollar	11,906	-
India Rupee	4,834	4,954
Brunei Dollar	1,787	1,831
	1,408,260	1,907,095
The Company		
Ringgit Malaysia	325,758	235,183
United States Dollar	(218)	37,570
Singapore Dollar	4,770	-
Great Britain Pound	30,070	172,514
EURO	97,080	94,580
Thai Baht	1,240	2,000
Canadian Dollar	12,089	-
	470,789	541,847

Other payables and accrued expenses consist of:

	2017 RM	2016 RM
The Group		
Other payables	1,786,447	1,928,966
Accrued expenses	2,986,943	2,475,970
	4,773,390	4,404,936
The Company		
Other payables	1,405,454	1,281,567
Accrued expenses	1,945,389	1,795,441
	3,350,843	3,077,008

The currency exposure profile of other payables of the Group and the Company are as follows:

	2017 RM	2016 RM
The Group		
Ringgit Malaysia	1,224,504	1,148,961
United States Dollar	167,966	230,803
Singapore Dollar	387,498	545,881
Great Britain Pound	6,479	3,321
	1,786,447	1,928,966

	2017 RM	2016 RM
The Company		
Ringgit Malaysia	1,220,268	1,047,081
United States Dollar	167,966	230,803
Singapore Dollar	10,741	362
Great Britain Pound	6,479	3,321
	1,405,454	1,281,567

20. DIVIDENDS

	The Group and The Company	
	2017	2016
	RM	RM
In respect of financial year ended 31 December 2016:		
Final single tier dividend of RM20 per share	10,000,000	-
Interim single tier dividend of RM20 per share	-	10,000,000
In respect of financial year ended 31 December 2015:		
Final single tier dividend of RM20 per share	-	10,000,000
	10,000,000	20,000,000

The directors propose a final single tier dividend of RM24 per ordinary shares, amounting to RM12,000,000 in respect of the current financial year.

The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2018.

21. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

CAPITAL RISK MANAGEMENT

The Group and the Company manage its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group and the Company's overall strategy remain unchanged from 2013.

The capital structure of the Group and the Company consist equity of the Company (comprising issued capital, share premium and retained earnings as disclosed in Notes 16 and 17).

Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:

	2017 RM	2016 RM
The Group		
Financial assets		
Loans and receivables:		
Trade receivables	11,220,259	9,390,962
Other receivables	211,496	355,646
Deposits	516,409	398,251
Amount owing by other related companies	1,542,488	1,799,964
Cash and bank balances	19,406,559	16,927,883
Financial liabilities		
At amortised cost:		
Trade payables	1,408,260	1,907,095
Other payables and accrued expenses	4,773,390	4,404,936
Amount owing to other related companies	2,523,104	1,868,242
The Company		
Financial assets		
Loans and receivables:		
Trade receivables	9,157,451	7,204,649
Other receivables	211,496	355,646
Deposits	234,713	234,335
Amount owing by subsidiary companies	99,266	56,145
Amount owing by other related companies	1,535,061	1,035,027
Cash and bank balances	15,532,877	13,190,385
Financial liabilities		
At amortised cost:		
Trade payables	470,789	541,847
Other payables and accrued expenses	3,350,843	3,077,008
Amount owing to other related companies	1,833,423	490,947

Financial Risk Management Objectives and Policies

The operations of the Group and the Company are subject to a variety of financial risks, such as market risk (including foreign currency risk), credit risk, liquidity risk and cash flow risk. The Group has taken measures to minimise the Group and the Company's exposure to risk and/or costs associated with the financing, investing and operating activities of the Group and the Company.

Company No. 502823 - K

(a) **Foreign currency risk**

Foreign currency sensitivity

The Group is exposed to foreign currencies. The following table details the Group's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against relevant foreign currencies. 10% is the sensitivity rate used as guideline as the Group do not set a range for the reporting of foreign currency risk internally to key management personnel and management's assessment of the reasonable possible change in foreign exchange rates. Where the Ringgit Malaysia strengthens 10% against the relevant currency, a positive number below indicates an increase in profit, while a negative number below indicates a decrease in profit. For a 10% weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable impact on the profit.

	Gain/(Loss)	
	2017	**2016**
	RM	**RM**
The Group		
United States Dollar	1,212,951	744,245
Singapore Dollar	266,100	291,120
Euro	(46,433)	(46,354)
Great Britain Pound	(15,919)	(20,986)
Danish Krone	(7,804)	(2,996)
Australian Dollar	(10,436)	(12,786)
India Rupee	(483)	(495)
New Zealand Dollar	(81)	-
Canadian Dollar	(1,191)	-
Thai Baht	(124)	(200)
Brunei Dollar	(179)	(183)
	1,396,401	951,365
The Company		
United States Dollar	1,129,566	706,611
Singapore Dollar	(51)	4,392
Euro	(44,179)	(44,295)
Great Britain Pound	(14,221)	(17,584)
Danish Krone	(7,804)	(2,996)
Canadian Dollar	(1,209)	-
Australia Dollar	(5,270)	-
Thai Baht	(124)	(200)
	1,056,708	645,928

(b) **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of customers.

The Group and the Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group and the Company defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to few major customers did not exceed 10% of gross monetary assets at any time during the year.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

(c) **Liquidity risk**

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

2017	**Carrying amount RM**	**Contractual cash flows RM**	**Less than 1 year RM**
The Group			
Trade payables	1,408,260	1,408,260	1,408,260
Other payables and accrued expenses	4,773,390	4,773,390	4,773,390
Amount owing to other related companies	2,523,104	2,523,104	2,523,104
	8,704,754	8,704,754	8,704,754

(Forward)

2017	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM
The Company			
Trade payables	470,789	470,789	470,789
Other payables and accrued expenses	3,350,843	3,350,843	3,350,843
Amount owing to other related companies	1,833,423	1,833,423	1,833,423
	5,655,055	5,655,055	5,655,055
2016			
The Group			
Trade payables	1,907,095	1,907,095	1,907,095
Other payables and accrued expenses	4,404,936	4,404,936	4,404,936
Amount owing to other related companies	1,868,242	1,868,242	1,868,242
	8,180,273	8,180,273	8,180,273
The Company			
Trade payables	541,847	541,847	541,847
Other payables and accrued expenses	3,077,008	3,077,008	3,077,008
Amount owing to other related companies	490,947	490,947	490,947
	4,109,802	4,109,802	4,109,802

(d) **Cash flow risk**

The Group and the Company reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

(e) **Fair values**

The carrying amounts of financial assets and liabilities as reported in the statements of financial position approximate their fair values because of the short maturity period of these financial instruments.

	Future Minimum Lease Payments	
	2017	2016
	RM	RM
The Group		
Not later than 1 year	1,507,646	2,478,031
Later than 1 year and not later than 5 years	720,465	1,804,679
Later than 5 years	326,692	478,466
	2,554,803	4,761,176
The Company		
Not later than 1 year	358,865	352,919
Later than 1 year and not later than 5 years	662,591	869,681
Later than 5 years	326,692	478,466
	1,348,148	1,701,066

24. CONTINGENT LIABILITIES

As of 31 December 2017, the Group and the Company have the following contingent liabilities:

i) During the financial year, a performance bond amounted to RM113,213 was obtained to guarantee satisfactory completion of its contract to provide occupational health advisory for its customer - Sapura exploration and production, for a period of two years with one-year extension option. The effective date of the contract shall be from 15 September 2017. Furthermore, for customer, Carigali-PTTEPI Operating Company Sdn. Bhd., for a period of three years commencing from 1 September 2016. The sum shall become payable immediately without proof or conditions notwithstanding any protest or dispute by the Company.

ii) A claim for unspecified amounts for rental agreement disputes during the financial year against the Company. The Company has disclaimed liability and is defending the action. Legal advice obtained indicates that it is unlikely that any significant liability will arise. The directors are of the view that no material losses will arise in respect of the legal claim at the date of these financial statements.

Company No. 502823 - K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **MSTS ASIA SDN. BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2017 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WAN SHUKRY BIN WAN KARMA

FISSON BIN AHMAD

Melaka,
14 June 2018

Company No. 502823 - K

MSTS ASIA SDN. BHD.
(Incorporated in Malaysia)

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **WAN SHUKRY BIN WAN KARMA**, the director primarily responsible for the financial management of **MSTS ASIA SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

WAN SHUKRY BIN WAN KARMA

Subscribed and solemnly declared by the abovenamed **WAN SHUKRY BIN WAN KARMA** at **MELAKA** this 14th day of June, 2018.

Before me,

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
NO: M. 075
CHAN CHIEW YEN
BC/C/801
01/01/18-31/12/18
MALAYSIA

No. 1-9, Jalan PM 14,
Plaza Mahkota, Bandar Hilir,
75000 Melaka.

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

CONTENTS

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Wan Shukry bin Wan Karma
Roslee Bin Abdul Rahim (appointed on 18 October 2018)
Koh Teng Ngiab (resigned on 19 October 2018)

PRINCIPAL ACTIVITIES

The Company has not been involved in any revenue-producing activities since the cessation of its provision of risk management and maritime safety consultancy services in 2011. Management presently has no definite plan for the continuance of business activities.

FINANCIAL RESULTS

	RM
Net loss for the financial year	(16,814)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company during the financial year except as follows:

	Number of ordinary shares			
	As of 1.1.2018	Bought	Sold	As of 31.12.2018
Shares in the holding company MSTS Asia Sdn Bhd				
Registered in the name of Director Wan Shukry Bin Wan Karma	300,000	-	-	300,000

By virtue of the Director's interest in the shares of the holding company, the Director is also deemed to have interests in the shares of the Company and of its related companies during the year to the extent that the holding company has an interest.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors also do not recommend the payment of any final dividend in respect of the current financial year.

DIRECTORS' REMUNERATION

No Director has received or become entitled to receive Directors' remuneration by the Company during the financial year.

There was no indemnity given or insurance effected for any Director which was paid or declared by the Company for the financial year ended 31 December 2018.

HOLDING COMPANIES

The Directors regard MSTS Asia Sdn. Bhd. and Falck Holding A/S, companies incorporated in Malaysia and Denmark, as the immediate holding company and ultimate holding company respectively.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(c) At the date of this report:

(i) there are no charges on the assets of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability in the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

(i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 5 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 28 June 2019. Signed on behalf of the Board of Directors.

WAN SHUKRY BIN WAN KARMA
DIRECTOR

ROSLEE BIN ABDUL RAHIM
DIRECTOR

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Other income		-	240
Administrative expenses		(16,771)	(12,947)
Loss before tax	5	(16,771)	(12,707)
Tax expense	6	(43)	-
Net loss and total comprehensive income for the financial year		(16,814)	(12,707)

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
ASSETS			
Current Assets			
Receivables	7	1,200	1,812
Cash and bank balances	8	287,788	294,684
		288,988	296,496
LIABILITIES			
Current Liabilities			
Payables	9	11,176	8,993
Amount due to immediate holding company	10	15,379	8,256
		26,555	17,249
Net current assets		262,433	279,247
EQUITY			
Capital and reserves attributable to equity holder of the Company			
Share capital	11	200,000	200,000
Retained earnings	12	62,433	79,247
Shareholder's equity		262,433	279,247

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital RM	Retained earnings RM	Total RM
2018			
As of 1 January 2018	200,000	79,247	279,247
Net loss and total comprehensive expenses for the financial year	-	(16,814)	(16,814)
As of 31 December 2018	200,000	62,433	262,433
2017			
As of 1 January 2017	200,000	91,954	291,954
Net loss and total comprehensive expenses for the financial year	-	(12,707)	(12,707)
As of 31 December 2017	200,000	79,247	279,247

Company No.

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RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
OPERATING ACTIVITIES		
Loss before tax	(16,771)	(12,707)
Changes in working capital		
Receivables	612	1,677
Payables	2,140	2,379
Net cash used in operating activities	(14,019)	(8,651)
FINANCING ACTIVITY		
Amount owing to holding company	7,123	(30,356)
Net cash generated from financing activity	7,123	(30,356)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(6,896)	(39,007)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	294,684	333,691
CASH AND CASH EQUIVALENTS AT END OF YEAR	287,788	294,684

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1 GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company has not been involved in any revenue-producing activities since the cessation of its provision of risk management and maritime safety consultancy services in 2011. Management presently has no definite plan for the continuance of business activities.

The registered office of the Company is located at 48, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, 75250 Melaka.

The Directors regard MSTS Asia Sdn. Bhd. and Falck Holding A/S, companies incorporated in Malaysia and Denmark, as the immediate holding company and ultimate holding company respectively.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies in Note 3 to the financial statements.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(a) Standards, amendments to published standards and interpretations that are effective

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2018, the Company adopted the following improvements to MFRSs mandatory for annual financial periods beginning on or after 1 January 2018:

Description
- MFRS 9 : Financial Instruments

The amendments and improvements do not have a significant impact on the Company's financial statements.

2 BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective.

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2019 as set out below:

- MFRS 16 'Leases'
- Amendment to MFRS 9 'Prepayments Features with Negative Compensation'
- Amendment to MFRS 119 'Plan Amendment, Curtailment or Settlement'
- Annual improvements to MFRSs 2015 - 2017 Cycle - Amendments to MFRS 112
- IC Interpretation 23 'Uncertainty over Income Tax Treatments'

The effects of the above new accounting standards and amendments are currently being assessed by the Directors.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Financial assets

MFRS 9 replaces the provisions of MFRS 139 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets.

The adoption of MFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

The Company has elected to apply the limited exemption in MFRS 9 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application.

As a consequence:

(i) any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the difference recognised in opening retained earnings

(ii) financial assets are not reclassified in the balance sheet for the comparative period

(iii) provisions for impairment have not been restated in the comparative period

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial assets (continued)

Accounting policies applied from 1 January 2018

(i) Classification

From 1 January 2018, the Company classifies its financial assets to be measured at amortised cost.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ('SPPI').

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income or statement of profit or loss and statement of comprehensive income as applicable.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial assets (continued)

(iv) Subsequent measurement – Impairment

Impairment for debt instruments

The Company assesses on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has one type of financial instrument that are subject to the ECL model:

- Trade receivables

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Company expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) Simplified approach for trade receivables

The Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial assets (continued)

(iv) Subsequent measurement – Impairment (continued)

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Company defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:
The Company defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial assets (continued)

(iv) Subsequent measurement – Impairment (continued)

Definition of default and credit-impaired financial assets (continued)

Qualitative criteria:
The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Company considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables arising from management and consultancy services have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Write-off

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial assets (continued)

(d) Subsequent measurement – Impairment (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(e) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(b) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the statement of financial position, banks overdrafts are shown within borrowings in current liabilities.

(d) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Company expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(e) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument.

(f) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated using the tax rates (and tax laws) enacted or substantively enacted at the end of the reporting date in the country where the Company operates and generates taxable income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Current and deferred income tax (continued)

Deferred tax is provided on all taxable temporary differences. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets (including tax benefit from reinvestment allowance are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Company's results and financial position are tested for sensitivity to changes in the underlying parameters.

There are no estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

5 LOSS BEFORE TAX

Included in loss before tax are the following charge:

	2018 RM	2017 RM
Audit fee	7,000	3,465
Accounting fees	6,000	6,000

6 TAX EXPENSE

(a) The tax charge for the financial year comprises:

	2018 RM	2017 RM
Current tax:		
Underprovision in prior financial year	43	-

(b) Numerical reconciliation of tax charge

The explanation of the relationship between tax charge and loss before tax is as follows:

	2018 RM	2017 RM
Loss before tax	(16,771)	(12,707)
Tax calculated at the statutory income tax rate of 18% (2017: 18%)	(3,019)	(2,287)
Expenses not deductible	3,019	2,287
Underprovision in prior financial year	43	-
Tax expense	43	-

6 INCOME TAX EXPENSE (CONTINUED)

The unabsorbed tax losses will expire in year 2025 under the current tax legislation. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the Company can utilise the benefits there from.

	2018 RM	2017 RM
Unabsorbed tax losses	539,998	528,549
Unabsorbed capital allowances	12,363	12,363

7 RECEIVABLES

	2018 RM	2017 RM
Trade		
Trade receivables	53,264	53,264
Less: Allowance for doubtful debts	(53,264)	(53,264)
	-	-
Other current assets		
Refundable deposits	1,200	1,812
	1,200	1,812

In the previous financial year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The company considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

Ageing and history of default analysis of trade receivables of the previous financial year were as follows:

	2017 RM
Past due and impaired	53,264

8 CASH AND BANK BALANCES

	2018 RM	2017 RM
Bank balances	287,788	294,684

The bank balances are deposit held at call with bank and earned no interest.

9 PAYABLES

	2018 RM	2017 RM
Other payables	4,637	3,139
Accrued expenses	6,539	5,854
	11,176	8,993

10 AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

The amount due to immediate holding company, MSTS Asia Sdn. Bhd., is non-trade in nature, unsecured and interest free until further notice from the lender. The amount is repayable on demand at any time at the lender's discretion.

11 SHARE CAPITAL

	2018 RM	2017 RM
Issued and fully paid share capital		
Ordinary shares with no par value	200,000	200,000

12 RETAINED EARNINGS

The Company is governed under the single-tier dividend system. Under the single-tier system, the Company can distribute all its retained earnings as single-tier dividends. Dividends paid are tax exempt in the hands of the shareholders.

13 SIGNIFICANT RELATED PARTY TRANSACTION

The Directors regard MSTS Asia Sdn. Bhd. and Falck Holding A/S, companies incorporated in Malaysia and Denmark, as the immediate holding company and ultimate holding company respectively.

In addition to information disclosed elsewhere in the financial statements, the other significant transaction with related party is as follows:

	2018 RM	2017 RM
Holding company		
Accounting fee payable	6,000	6,000

Credit terms of related party transaction is 90 days (2017: 90 days).

The key management personnel of the Company are the Directors of the Company. There was no compensation paid to key management personnel during the financial year.

14 MFRS 9 FINANCIAL INSTRUMENTS

The financial instruments of the Company as at 31 December by classes are as follows:

	2018 RM	2017 RM
Financial assets measured at amortised cost		
Receivables	1,200	1,812
Cash and bank balances	287,788	294,684
	288,988	296,496
Financial liabilities measured at amortised cost		
Payables	11,176	8,993
Amount due to immediate holding company	15,379	8,256
	26,555	17,249

15 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The operations of the Company are subject to a variety of financial risks. The Company has formulated a financial risk management framework whose principal objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

Various risk management policies are approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

15 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(a) Credit risk management

The Company does not have significant credit risk exposure to any single counterparty.

Impairment of financial assets

The Company's financial assets that are subject to the expected credit loss (ECL) model include trade receivables. While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

(i) Trade receivables using simplified approach

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified group exchanges rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2018 and 1 January 2018 (on adoption of MFRS 9) was determined as follows for both trade receivables and amount due from related companies:

31 December 2018	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	100%	
Gross carrying amount – trade receivable	-	-	-	(53,264)	(53,264)
Loss allowance	-	-	-	(53,264)	(53,264)
	-	-	-	-	-
1 January 2018					
Expected loss rate	0%	0%	0%	100%	
Gross carrying amount – trade receivable	-	-	-	(53,264)	(53,264)
Loss allowance	-	-	-	(53,264)	(53,264)
Loss allowance	-	-	-	-	-

15 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(a) Credit risk management (continued)

The closing loss allowances as at 31 December 2018 reconcile to the opening loss allowances as follows:

	2018 RM	2017 RM
31 December – calculated under MFRS 139	53,264	53,264
Amount restated through opening retained earnings	-	-
Opening loss allowance as at 1 January 2018 – calculated under MFRS 9	53,264	53,264
Increase in loss allowance recognised in profit or loss during the year	-	-
At 31 December – calculated under MFRS 9	53,264	53,264

(b) Liquidity risk management

The Company practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

All financial liabilities of the Company are repayable on demand or are due within one year from the end of the reporting period.

(c) Fair values of financial instruments

The fair values of these financial instruments approximate their carrying amounts due to the short-term maturities of these instruments.

16 SIGNIFICANT EVENTS SUBSEQUENT TO YEAR END

On 18 March 2019, the Company entered into an assignment agreement with BidCo RelyOn Nutec A/S (Bondholders) and Nordic Trustee AS (Security Agent) as security for the payment and satisfaction in full of the Secured Obligations entered by BidCo RelyOn Nutec A/S for a senior secured callable bonds up to a maximum aggregate amount of EUR 100,000,000, the Company was assigned with the Assigned Rights to and in favour of the Security Agent on behalf of the Secured Parties as assignees represented by the Security Agent, including all of the Assignor's right, title and interest, present and future, to and in the Assigned Rights by way of a first priority assignment.

17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 June 2019.

Company No.

631761	U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Wan Shukry Bin Wan Karma and Roslee Bin Abdul Rahim, being two of the Directors of Risktec (M) Sdn Bhd, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 24 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and financial performance of the Company for the financial year ended 31 December 2018 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 June 2019.

WAN SHUKRY BIN WAN KARMA
Director

ROSLEE BIN ABDUL RAHIM
Director

Melaka

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Roslee Bin Abdul Rahim, the Director primarily responsible for the financial management of Risktec (M) Sdn Bhd, do solemnly and sincerely declare that the financial statements set out on pages 5 to 24 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

ROSLEE BIN ABDUL RAHIM

Subscribed and solemnly declared by the abovenamed at Melaka on 28 June 2019.

Before me:

PESURUHJAYA SUMPAH
NO: M. 075
CHAN CHIEW YEN
BC/C/801
01/01/19-31/12/21
MALAYSIA

COMMISSIONER FOR OATHS

No. 1-9, Jalan PM 14,
Plaza Mahkota Bandar Hilir,
75000 Melaka.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)
(Company No. 631761 U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Risktec (M) Sdn. Bhd. ("the Company") give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 24.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' 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 and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RISKTEC (M) SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 631761 U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are 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 unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 AUDITORS' REPORT
TO THE MEMBER OF RISKTEC (M) SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 631761 U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Company, 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RISKTEC (M) SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 631761 U)

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MANOHAR BENJAMIN JOHNSON
03301/05/2021 J
Chartered Accountant

Melaka
28 June 2019

RISKTEC (M) SDN. BHD.
(Company No. 631761 - U)
(Incorporated in Malaysia)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017
(In Ringgit Malaysia)

Company No. 631761 - U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **RISKTEC (M) SDN. BHD.** hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITY

The Company has not been involved in any revenue-producing activities since the cessation of its provision of risk management and maritime safety consultancy services in 2011. Management presently has no definite plan for the continuance of business activities.

RESULTS

The results of the Company for the financial year are as follows:

	RM
Loss before tax	(12,707)
Income tax expense	-
Loss for the year	(12,707)

In the opinion of the directors, the results of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statement of profit or loss and other comprehensive income and the statement of financial position of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extend; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements of the company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; and

(b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Wan Shukry Bin Wan Karma
Koh Teng Ngiab

DIRECTORS' INTERESTS

The interests in shares in a related corporation of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			
	As of 1.1.2017	**Bought**	**Sold**	**As of 31.12.2017**
Shares in the holding company - MSTS Asia Sdn. Bhd.				
Registered in the name of director				
Wan Shukry bin Wan Karma	300,000	-	-	300,000

By virtue of the above director's interest in the shares of the holding company, the director is also deemed to have interests in the shares of the Company and of its related companies during the year to the extent that the holding company has an interest.

None of the other director in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

HOLDING COMPANY

The Company is a wholly-owned subsidiary company of MSTS Asia Sdn. Bhd., a company incorporated in Malaysia which is also regarded by the directors as the ultimate holding company.

Company No. 631761 - U

AUDITORS

The auditors, Deloitte & Touche PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount payable as remuneration of the auditors for the financial year ended 31 December 2017 is as disclosed in Note 5 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WAN SHUKRY BIN WAN KARMA

KOH TENG NGIAB

Melaka,
14 June 2018

Deloitte.

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)
Level 16, Menara LGB
1 Jalan Wan Kadir
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF RISKTEC (M) SDN BHD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **RISKTEC (M) SDN. BHD.**, which comprise the statement of financial position as of 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' 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 and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

(Forward)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

(Forward)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Company, 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 the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

(Forward)

Company No. 631761 - U

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE & TOUCHE PLT (LLP0010197-LCA)
Chartered Accountants (AF 0834)

KAMARUL BAHARIN BIN TENGKU ZAINAL ABIDIN
Partner - 02903/11/2019 J
Chartered Accountant

14 June 2018

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 RM	2016 RM
Revenue		-	-
Other income		240	-
Administrative expenses		(12,947)	(12,053)
Loss before tax	5	(12,707)	(12,053)
Income tax expense	6	-	-
Loss for the year, representing total comprehensive loss for the year		(12,707)	(12,053)

The accompanying Notes form an integral part of the Financial Statements.

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2017

	Note	2017 RM	2016 RM
ASSETS			
Current Assets			
Trade and other receivables	7	1,812	3,488
Cash and bank balances		294,684	333,691
Total Current Assets		296,496	337,179
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	8	200,000	200,000
Retained earnings	9	79,247	91,954
Total Equity		279,247	291,954
Current Liabilities			
Other payables	10	8,993	6,614
Amount owing to holding company	11	8,256	38,611
Total Liabilities		17,249	45,225
TOTAL EQUITY AND LIABILITIES		296,496	337,179

The accompanying Notes form an integral part of the Financial Statements.

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Issued capital RM	Distributable reserve - Retained earnings RM	Total RM
As of 1 January 2016	200,000	104,007	304,007
Loss for the year, representing total comprehensive loss for the year	-	(12,053)	(12,053)
As of 31 December 2016	200,000	91,954	291,954
As of 1 January 2017	200,000	91,954	291,954
Loss for the year, representing total comprehensive loss for the year	-	(12,707)	(12,707)
As of 31 December 2017	200,000	79,247	279,247

The accompanying Notes form an integral part of the Financial Statements.

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 RM	2016 RM
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before tax	(12,707)	(12,053)
Decrease in trade and other receivables	1,676	327
Increase/(Decrease) in:		
Other payables	2,379	(958)
Amount owing to holding company	(30,356)	202
Net Cash Used In Operating Activities	(39,008)	(12,482)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,008)	(12,482)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	333,691	346,173
CASH AND CASH EQUIVALENTS AT END OF YEAR (REPRESENTING CASH AND BANK BALANCES)	294,684	333,691

The accompanying Notes form an integral part of the Financial Statements.

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company has not been involved in any revenue-producing activities since the cessation of its provision of risk management and maritime safety consultancy services in 2011. Management presently has no definite plan for the continuance of business activities.

The registered office of the Company is located at 48, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, 75250 Melaka.

The principal place of business of the Company is located at ETIQA Twins, Tower 2, Level 7, 11 Jalan Pinang, 50450 Kuala Lumpur.

The financial statements of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 June 2018.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Company has applied a number of new and revised MFRSs and Issues Committee Interpretations ("IC Interpretations") issued by Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual financial periods beginning on or after 1 January 2017 as follows:

Amendmends to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 Cycle

The adoption of these new and revised MFRSs has no material impact on the disclosures or on the amount recognised in the financial statements of the Company.

Standards and IC Interpretations in Issue but Not Yet Effective

The directors anticipate that the following Standards and Amendments to MFRSs and IC Interpretations will be adopted in the annual financial statements of the Company when they become effective.

MFRS 9	Financial Instruments[1]
MFRS 15	Revenue from Contracts with Customers[1]
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration[1]
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 Cycle [1]
MFRS 16	Leases[2]
IC Interpretation 23	Uncertainty over Income Tax Payments[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

The directors anticipate that the abovementioned standards and IC Interpretations will be adopted in the financial statements of the Company when they become effective and that the adoption of these standards and IC Interpretations will have no material impact on the amounts reported in the financial statements of the Company in the period of initial application except as discussed below:

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in November 2009) introduced new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS 9 issued by IASB in October 2010) includes requirements for the classification and measurement of financial liabilities and for de-recognition, and in February 2014, the new requirements for general hedge accounting was issued by MASB. Another revised version of MFRS 9 was issued by MASB - MFRS 9 (IFRS 9 issued by IASB in July 2014) mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- All recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost as of the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value as of the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on the analysis of the Company's financial assets and financial liabilities as of 31 December 2017 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed the impact of MFRS 9 to the Company's financial statements. All financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under MFRS 139.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Taxation

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a realisable estimate of the amount can be made.

At the end of each reporting period, the provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Company will be required to settle the obligation.

Financial Instruments

(i) Initial recognition and measurement

Financial instruments are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

Financial instruments are initially measured at fair value, plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

(ii) ***Financial instrument categories and subsequent measurement***

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's principal financial assets which are mainly classified under loans and receivables include trade and other receivables and cash and bank balances which are initially measured at fair value and subsequently measured at amortised cost.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market (including short-term deposits with financial institutions). Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Equity Instruments

(a) **Classification as Debt or Equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

The Company's significant other financial liabilities include other payables and accrued expenses and intercompany indebtedness, which are initially measured at fair value and subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

*(iii) **Derecognition***

A financial asset is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivable is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the assets is reduced by the impairment loss through the use of an allowance account.

For receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Statement of Cash Flows

The Company adopts the indirect method in the preparation of statement of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. LOSS BEFORE TAX

Included in loss before tax are the following charge:

	2017 RM	2016 RM
Audit fee	3,465	2,835

6. INCOME TAX EXPENSE

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	2017 RM	2016 RM
Loss before tax	(12,707)	(12,053)
Tax credit at the statutory income tax rate of 18% (2016: 19%)	(2,287)	(2,290)
Tax effect of expenses not deductible for tax purposes	2,287	2,290
Income tax expense	-	-

As explained in Note 3, deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and and unabsorbed capital allowances can be utilised. As of 31 December 2017, the unused tax losses and unabsorbed capital allowances, of which the net deferred tax assets not recognised in the financial statements due to uncertainty of realisation is as follows:

	2017 **RM**	**2016** **RM**
Unused tax losses	528,549	528,549
Unabsorbed capital allowances	12,363	12,363
	540,912	540,912

The unused tax losses and unabsorbed capital allowances, subject to the agreement by the tax authorities, are available for offset against future chargeable income.

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

	2017 **RM**	**2016** **RM**
Trade receivables	53,264	53,264
Less: Allowance for doubtful debts	(53,264)	(53,264)
	-	-
Refundable deposits	1,812	3,488
	1,812	3,488

Analysis of ageing of impaired trade receivables:

	2017 **RM**	**2016** **RM**
More than 90 days	53,264	53,264

An allowance has been made for estimated irrecoverable amounts from services rendered of RM53,264 (2016: RM53,264). In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of reporting period.

8. SHARE CAPITAL

	2017 RM	2016 RM
Authorised:		
500,000 ordinary shares of RM1 each	-	500,000
Issued and fully paid:		
200,000 ordinary shares	200,000	200,000

The Company's issued and fully paid-up share capital comprises ordinary shares with a par value of RM1 each. The new Companies Act, 2016, which came into operation on 31 January 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

9. RETAINED EARNINGS

Distributable reserves are those available for distribution as dividends.

The entire retained earnings of the Company as of the end of the reporting period is available for distribution as single tier dividends to the shareholder of the Company.

10. OTHER PAYABLES

Other payables consist of:

	2017 RM	2016 RM
Other payables	3,139	1,392
Accrued expenses	5,854	5,222
	8,993	6,614

11. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The Company is a wholly-owned subsidiary company of MSTS Asia Sdn. Bhd., a company incorporated in Malaysia. The directors regard MSTS Asia Sdn. Bhd., as the holding company of the Company.

The Company is related to a group of companies controlled directly or indirectly by Falck Global Safety B.V., a company incorporated in the Netherlands, which indirectly owns 40% equity in the Company through MSTS Asia Sdn. Bhd.

Amount owing to holding company arose mainly from accounting and agency fees payable which are unsecured, interest-free and repayable on demand.

During the financial year, significant related party transactions, which are determined on a basis agreed between the parties, are as follows:

	2017 RM	2016 RM
Holding company		
Accounting fee payable	6,000	6,000

12. FINANCIAL INSTRUMENTS

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists mainly of equity (comprising share capital and retained earnings as disclosed in Notes 8 and 9).

Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:

	2017 RM	2016 RM
Financial assets		
Loans and receivables:		
Refundable deposits	1,812	3,488
Bank balances	294,684	333,691
Financial liabilities		
At amortised cost:		
Other payables	8,993	6,614
Amount owing to holding company	8,256	38,611

Financial Risk Management Objectives and Policies

The operations of the Company are subject to a variety of financial risks, including foreign currency risk, credit risk and liquidity risk. The Company has formulated a financial risk management framework whose principal objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

Various risk management policies are approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

(a) ***Credit Risk Management***

The Company does not have significant credit risk exposure to any single counterparty.

(b) ***Liquidity Risk Management***

The Company practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on undiscounted contractual repayment obligations.

	Carrying amount RM	**Contractual cash flows RM**	**Less than 1 year RM**
2017			
Other payables	8,993	8,993	8,993
Amount owing to holding company	8,256	8,256	8,256
	17,249	17,249	17,249
2016			
Other payables	6,614	6,614	6,614
Amount owing to holding company	38,611	38,611	38,611
	45,225	45,225	45,225

All financial liabilities of the Company are repayable on demand or are due within one year from the end of the reporting period.

(c) **Fair Values of financial instruments**

The fair values of these financial instruments approximate their carrying amounts due to the short-term maturities of these instruments.

Company No. 631761 - U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **RISKTEC (M) SDN. BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2017 and of the financial performance and the cash flows of the Company for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WAN SHUKRY BIN WAN KARMA

KOH TENG NGIAB

Melaka,
14 June 2018

Company No. 631761 - U

RISKTEC (M) SDN. BHD.
(Incorporated in Malaysia)

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **WAN SHUKRY BIN WAN KARMA**, the director primarily responsible for the financial management of **RISKTEC (M) SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

WAN SHUKRY BIN WAN KARMA

Subscribed and solemnly declared by the abovenamed **WAN SHUKRY BIN WAN KARMA** in the State of **MELAKA** this 14th day of June, 2018.

Before me,

PESURUHJAYA SUMPAH
NO: M. 075
CHAN CHIEW YEN
BC/C/801
01/01/18-31/12/18
MALAYSIA

COMMISSIONER FOR OATHS

No. 1-9, Jalan PM 14,
Plaza Mahkota, Bandar Hilir,
75000 Melaka.

Company No.

900073	M

RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Company No.

900073	M

RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

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Company No.

900073	M

RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dr Muzaffar bin Salim
Wan Shukry bin Wan Karma
Roslee Bin Abdul Rahim (appointed on 10 August 2018)

PRINCIPAL ACTIVITIES

The principal activities of the Company are provision for primary healthcare and other related services.

CHANGE OF NAME

On 13 May 2019, the Board of Directors approved the change of name from Falck Bestari Healthcare Sdn. Bhd. to Relyon Bestari Healthcare Sdn. Bhd.

FINANCIAL RESULTS

	RM
Net profit for the financial year	325,440

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Company No.

900073	M

RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its holding company or subsidiaries of the holding company during the financial year except as follows:

	Number of ordinary shares			
	As of 1.1.2018	Bought	Sold	As of 31.12.2018
Shares in the Company				
Registered in the name of a director Dr. Muzaffar bin Salim	104,400	-	-	104,400
Shares in the holding company MSTS Asia Sdn Bhd				
Registered in the name of a director Wan Shukry Bin Wan Karma	300,000	-	-	300,000

By virtue of the director's interest in the shares of the holding company, the director is also deemed to have interests in the shares of the Company and of its related companies during the year to the extent that the holding company has an interest.

DIVIDEND

Dividend proposed in the current financial year:

	RM
First interim dividend of RM0.60 per ordinary share declared on 1 June 2018 and paid on 18 July 2018.	350,000

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 6 to the financial statements.

There was no indemnity given or insurance effected for any Director in accordance with Section 289 of the Companies Act, 2016.

HOLDING COMPANIES

The Directors regard MSTS Asia Sdn. Bhd. and Falck Holding A/S, companies incorporated in Malaysia and Denmark, as the immediate holding company and ultimate holding company respectively.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

   (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or

   (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(c) At the date of this report:

   (i) there are no charges on the assets of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

   (ii) there are no contingent liabilities in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability in the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

   (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

   (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Company No.

900073	M

RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

  (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

  (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 6 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 28 June 2019. Signed on behalf of the Board of Directors:

ROSLEE BIN ABDUL RAHIM
DIRECTOR

DR. MUZAFFAR BIN SALIM
DIRECTOR

Company No.

900073	M

RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Revenue	5	2,637,724	2,362,360
Cost of sales		(1,836,660)	(1,686,113)
Gross profit		801,064	676,247
Other income		19,590	40
Distribution expenses		(436)	(348)
Administrative expenses		(390,230)	(192,589)
Other expenses		(21,000)	(16,500)
Profit before tax	6	408,988	466,850
Tax	7	(83,548)	(86,474)
Profit and total comprehensive income for the financial year		325,440	380,376

Company No.

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RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note RM	2018 RM	2017
ASSETS			
Non-current Assets			
Plant and equipment	8	241,881	332,981
Deferred tax assets	9	20,000	-
		261,881	332,981
Current Assets			
Inventories	10	110,792	95,794
Trade and other receivables	11	402,414	359,092
Amount owing by immediate holding company	12	25,034	45,870
Amount owing by other related company	12	70,473	19,523
Tax recoverable		-	35,475
Cash and bank balances	13	472,353	510,769
		1,081,066	1,066,523
LIABILITIES			
Non-current Liability			
Deferred tax liabilities	9	-	28,400
Current Liabilities			
Trade and other payables	14	168,177	130,147
Amount owing to immediate holding company	12	192,442	254,614
Amount owing to other related companies	12	66	8,066
Tax payable		28,545	-
		389,230	392,827
Net current assets		691,836	673,696
		953,717	978,277
EQUITY			
Capital and Reserves			
Share capital	15	580,000	580,000
Retained earnings	16	373,717	398,277
Shareholder's equity		953,717	978,277

Company No.

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RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital RM	Retained earnings RM	Total RM
As of 1 January 2018	580,000	398,277	978,277
Comprehensive income			
Net profit and total comprehensive profit for the financial year	-	325,440	325,440
Transaction with owner			
Dividend paid (Note 17)	-	(350,000)	(350,000)
As of 31 December 2018	580,000	373,717	953,717
As of 1 January 2017	580,000	167,901	747,901
Comprehensive income			
Net profit and total comprehensive profit for the financial year	-	380,376	380,376
Transaction with owner			
Dividend paid (Note 17)	-	(150,000)	(150,000)
As of 31 December 2017	580,000	398,277	978,277

Company No.

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RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
OPERATING ACTIVITIES		
Profit before tax	408,988	466,850
Adjustment for:		
Plant and equipment		
- depreciation	99,198	99,186
- written off	2,722	-
Provision for doubtful debts	141,833	-
	652,741	566,036
Changes in working capital:		
Inventories	(14,998)	(18,876)
Trade and other receivables	(185,155)	(107,914)
Trade and other payables	38,030	(78,395)
Amount with holding company	(41,336)	161,589
Amount with other related company	(58,950)	(20,919)
Cash generated from operations	390,332	501,521
Tax paid	(67,928)	(95,334)
Net cash flow generated from operating activities	322,404	406,187
INVESTING ACTIVITY		
Purchase of plant and equipment	(10,820)	(19,170)
Net cash flow used in investing activity	(10,820)	(19,170)
FINANCING ACTIVITY		
Dividend paid	(350,000)	(150,000)
Net cash flow used in financing activity	(350,000)	(150,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(38,416)	237,017
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	510,769	273,752
CASH AND CASH EQUIVALENTS AT END OF YEAR	472,353	510,769

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1 GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company is principally engaged in the business of provision for primary healthcare and other related services.

The registered office of the Company is located at 48, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, 75250 Melaka.

The principal place of business of the Company is located at G-23, Block A, Permas Mall, No. 3, Jalan Permas Utara, Bandar Baru Permas Jaya, 81750 Johor Bahru, Johor.

The Directors regard MSTS Asia Sdn. Bhd. and Falck Holding A/S, companies incorporated in Malaysia and Denmark, as the immediate holding company and ultimate holding company respectively.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies in Note 3 to the financial statements.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(a) Standards, amendments to published standards and interpretations that are effective

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2018, the Company adopted the following improvements to MFRSs mandatory for annual financial periods beginning on or after 1 January 2018:

Description
- MFRS 9 : Financial Instruments
- MFRS 15 : Revenue from Contracts with Customers

The amendments and improvements do not have a significant impact on the Company's financial statements.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective.

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2019 as set out below:

- MFRS 16 'Leases'
- Amendment to MFRS 9 'Prepayments Features with Negative Compensation'
- Amendment to MFRS 119 'Plan Amendment, Curtailment or Settlement'
- Annual improvements to MFRSs 2015 - 2017 Cycle - Amendments to MFRS 112
- IC Interpretation 23 'Uncertainty over Income Tax Treatments'

The effects of the above new accounting standards and amendments are currently being assessed by the Directors.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Property, plant and equipment

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in other income in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the straight-line method to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives summarised as follows:

Plant and machineries	20%
Office and other equipment	20% - 33%
Renovation	20%

Depreciation on assets under construction commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy 3(b) on impairment of non-financial assets.

(b) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial assets

MFRS 9 replaces the provisions of MFRS 139 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets.

The adoption of MFRS 9 "Financial Instruments" from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

The Company has elected to apply the limited exemption in MFRS 9 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application.

As a consequence:

(i) any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the difference recognised in opening retained earnings
(ii) financial assets are not reclassified in the balance sheet for the comparative period
(iii) provisions for impairment have not been restated in the comparative period

Accounting policies applied from 1 January 2018

(i) Classification

From 1 January 2018, the Company classifies its financial assets to be measured at amortised cost.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ('SPPI').

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial assets (continued)

Accounting policies applied from 1 January 2018 (continued)

(iii) Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income or statement of profit or loss and statement of comprehensive income as applicable.

(iv) Subsequent measurement – Impairment

Impairment for debt instruments

The Company assesses on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has one type of financial instrument that are subject to the ECL model:

- Trade receivables

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Company expects to receive, over the remaining life of the financial instrument.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial assets (continued)

Accounting policies applied from 1 January 2018 (continued)

(iv) Subsequent measurement – Impairment (continued)

Impairment for debt instruments (continued)

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(1) Simplified approach for trade receivables

The Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial assets (continued)

Accounting policies applied from 1 January 2018 (continued)

(iv) Subsequent measurement – Impairment (continued)

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Company defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:
The Company defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:
The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Company considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial assets (continued)

Accounting policies applied from 1 January 2018 (continued)

(iv) Subsequent measurement – Impairment (continued)

Groupings of instruments for ECL measured on collective basis

(1) Collective assessment

To measure ECL, trade receivables arising from provision of healthcare consultancy services have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(2) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Write-off

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Accounting policies applied until 31 December 2017

(a) Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and bank balances' in the statement of financial position.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial assets (continued)

Accounting policies applied until 31 December 2017 (continued)

(d) Subsequent measurement – Impairment (continued)

Assets carried at amortised cost (continued)

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(e) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the statement of financial position, banks overdrafts are shown within borrowings in current liabilities.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Company expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(i) Trade payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade payables are subsequently measured at amortised cost using the effective interest method.

(j) Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument.

(ii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statement of financial position.

(ii) Defined benefits plans

The Company's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(l) Revenue from contracts with customers

<u>Accounting policies applied from 1 January 2018</u>

The Company operates clinics to provide healthcare consultancy services. Revenue from the services is recognised over time when the consultant rendered the services.

<u>Accounting policies applied until 31 December 2017</u>

Revenue from provision of medicine and medical services is recognised in the income statement net of service tax and discount, as and when the services are performed.

(m) Interest income

<u>Accounting policies applied from 1 January 2018</u>

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

<u>Accounting policies applied until 31 December 2017</u>

Interest income is recognised on an accrual basis using the effective interest method.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(i) Finance leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Initial direct costs incurred by the Company in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

(i) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight-line basis over the lease period

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Company's results and financial position are tested for sensitivity to changes in the underlying parameters.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below:

Expected credit loss on financial instruments

The Company assess on a forward looking basis for the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Directors recognised the expected loss rate of each type of financial assets based on the probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Company expect to receive, over the remaining life of the financial instruments.

Net realisable value of inventories

The Director assess at each reporting date whether any inventories are impaired. The Director make the assessment by comparing the carrying amount of each item of inventory (or group of similar items with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, the Company reduce the carrying amount of the inventory (or the group) to its selling price less costs to complete and sell. Based on the assessment performed, there is no impairment indicator noted.

5 REVENUE

	2018 RM	2017 RM
Healthcare consultancy services	2,639,371	2,362,360
Timing of revenue recognition - Over time	2,639,371	2,362,360

6 PROFIT BEFORE TAX

Included in profit before tax are the following charges:

	2018 RM	2017 RM
Advertising fees	5,344	1,236
Audit fees	20,000	6,997
Cost of consumables used	610,911	527,873
Directors' remuneration:		
- salaries and bonus	177,152	173,000
- other benefits	101,703	119,509
- defined contribution retirement plan	28,037	36,224
Electricity charges	18,753	19,817
Hiring of medevac	48,800	-
Insurance	7,086	-
Plant and equipment:		
- depreciation	99,198	99,186
- written off	2,722	-
Provision of doubtful debts	141,833	-
Rental of clinics	97,500	96,000
Repair and maintenance	11,114	8,298
Sales commission	6,348	6,304
Staff cost:		
- wages, salaries and bonus	400,147	359,695
- other employee benefits	84,147	69,126
- defined contribution retirement plan	40,074	40,785
Support service fee	142,008	96,600

7 TAX EXPENSE

(a) The tax charge for the financial year comprises:

	2018 RM	2017 RM
Estimated tax payable:		
Current year	120,785	85,763
Under/(over) provision in prior financial years	14,043	(3,489)
	134,828	82,274
Deferred tax (Note 9)	(48,400)	4,200
	86,428	86,474

7 TAX EXPENSE (CONTINUED)

(b) Numerical reconciliation of tax charge

The explanation of the relationship between tax charge and profit before tax is as follows:

	2018 RM	2017 RM
Profit before tax	443,206	466,850
Tax calculated at the statutory income tax rate of 24% (2017: 18%)	106,369	84,033
Expenses not deductible	3,231	13,307
Income not subject to tax	-	(11,578)
Under/(over) provision in prior financial year	14,043	(3,488)
Tax at different rate	(30,000)	-
Others	(7,215)	4,200
Tax expense	86,428	86,474

8 PLANT AND EQUIPMENT

	Plant and machineries RM	Office and other equipment RM	Renovation RM	Total RM
Cost				
At 1 January 2018	451,247	55,280	260,548	767,075
Additions	8,500	2,320	-	10,820
Written off	(4,950)	-	-	(4,950)
As of 31 December 2018	454,797	57,600	260,548	772,945
Accumulated depreciation				
At 1 January 2018	236,779	41,878	155,437	434,094
Charge for the year	62,667	7,338	29,193	99,198
Written off	(2,228)	-	-	(2,228)
As of 31 December 2018	297,218	49,216	184,630	531,064
Net book value As of 31 December 2018	157,579	8,383	75,919	241,881

8 PLANT AND EQUIPMENT (CONTINUED)

	Plant and machineries RM	Office and other equipment RM	Renovation RM	Total RM
Cost				
At 1 January 2017	439,417	52,290	256,198	747,905
Additions	11,830	2,990	4,350	19,170
As of 31 December 2017	451,247	55,280	260,548	767,075
Accumulated depreciation				
At 1 January 2017	175,080	34,445	125,383	334,908
Charge for the year	61,699	7,433	30,054	99,186
As of 31 December 2017	236,779	41,878	155,437	434,094
Net book value As of 31 December 2017	214,469	13,401	105,111	332,981

9 DEFERRED TAX ASSETS/(LIABILITIES)

	2018 RM	2017 RM
Deferred tax assets/(liabilities)	20,000	(28,400)
At beginning of the financial year	(28,400)	(24,200)
Credit/(charge) to profit or loss		
- Property, plant and equipment	6,700	(1,860)
- Trade and other payables	41,700	(2,340)
	48,400	(4,200)
At end of the financial year	20,000	(28,400)

9 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

	2018 RM	2017 RM
Deferred tax assets (before and after offsetting):		
- provision	36,000	-
Offsetting	(16,000)	-
	20,000	-
Deferred tax liabilities (before and after offsetting):		
- property, plant and equipment	(16,000)	(22,700)
- provision	-	(5,700)
	(16,000)	(28,400)
Offsetting	16,000	-
	-	(28,400)

10 INVENTORIES

	2018 RM	2017 RM
Medicines – at cost	110,792	95,794

11 TRADE AND OTHER RECEIVABLES

	2018 RM	2017 RM
Trade		
Trade receivables	529,877	346,022
Less: Allowances for impairment losses	(141,833)	-
	388,044	
Other current assets		
Refundable deposits	14,370	12,970
Prepaid expenses	-	100
	402,414	359,092

The credit period granted on services rendered ranges from 1 to 30 days (2017: 1 to 30 days).

12 AMOUNT OWING BY IMMEDIATE HOLDING COMPANY, AMOUNT OWING BY OTHER RELATED COMPANY, AMOUNT OWING TO IMMEDIATE HOLDING COMPANY AND AMOUNT OWING TO OTHER RELATED COMPANY

Amount owing by/to immediate holding company and related companies, which arose mainly from the payments made on behalf, is unsecured, interest-free and repayable on demand. Sales transaction made to immediate holding company has a credit terms of 30 days (2017: 30 days)

13 CASH AND BANK BALANCES

	2018 RM	2017 RM
Cash on hand	2,062	2,066
Bank balances	470,291	508,703
	472,353	510,769

Bank balances are deposits held at call with banks and earn no interest.

14 TRADE AND OTHER PAYABLES

	2018 RM	2017 RM
Trade payables	101,617	84,524
Other payables	610	1,097
Accrued expenses	53,950	44,526
	156,177	130,147

The credit period granted to the Company for trade purchases is 30 to 90 days (2017: 30 to 90 days).

15 SHARE CAPITAL

	2018 RM	2017 RM
Issued and fully paid share capital:		
580,000 ordinary shares with no par value	580,000	580,000

16 RETAINED EARNINGS

The Company is governed under the single-tier dividend system. Under the single-tier system, the Company can distribute all its retained earnings as single-tier dividends. Dividends paid are tax exempt in the hands of the shareholders.

17 DIVIDENDS

	2018 RM	2017 RM
First interim dividend of RM0.60 (2017: RM0.26) per ordinary share, in respect of financial year	350,000	150,000

18 SIGNIFICANT RELATED PARTY TRANSACTION

Name of related company	Relationship
MSTS Asia Sdn. Bhd.	Immediate holding company
Falck Danmark A/S	Related company
MSTS Asia (S) Pte. Ltd.	Related company

In addition to information disclosed elsewhere in the financial statements, the other significant transactions with related parties are as follows:

	2018 RM	2017 RM
Immediate holding company		
Support service fee	142,008	96,600
Rental fee	97,500	96,000
Services rendered	76,802	82,258
Other related companies		
Royalties fees	19,000	17,000

Compensation of key management personnel

The members of key management personnel of the Company comprise Directors of the Company. During the financial year, the key management received remuneration from the Company as disclosed in Note 6.

19 CAPITAL COMMITMENTS

	2018 RM	2017 RM
Authorised capital expenditure not provided for in the financial statements:		
Plant and equipment		
- contracted for	367,908	-

20 MFRS 9 FINANCIAL INSTRUMENTS

The financial instruments of the Company as at 31 December by classes are as follows:

	2018 RM	2017 RM
Financial assets measured at amortised cost		
Trade receivables and other receivables	402,414	358,992
Amount owing by holding company	25,034	45,870
Amount owing by other related company	70,473	19,523
Cash and bank balances	472,353	510,769
	970,274	935,154
Financial liabilities measured at amortised cost		
Trade and other payables	156,177	130,147
Amount owing to holding company	192,442	254,614
Amount owing to other related companies	66	8,066
	348,685	392,827

21 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

The operations of the Company are subject to a variety of financial risks. The Company has formulated a financial risk management framework whose principal objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

Various risk management policies are approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

(a) Credit risk management

The Company does not have significant credit risk exposure to any single counterparty.

Impairment of financial assets

The Company's financial assets that are subject to the expected credit loss (ECL) model include trade receivables. While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

(i) Trade receivables using simplified approach

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified group exchanges rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2018 and 1 January 2018 (on adoption of MFRS 9) was determined as follows for both trade receivables:

21 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) Credit risk management (continued)

31 December 2018	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	53%	23%	23%	100%	
Gross carrying amount (RM)					
- trade receivables	122,199	102,947	99,272	205,459	529,877
Loss allowance	(20,000)	(7,000)	(7,000)	(107,833)	(141,833)
	102,199	95,947	92,272	97,626	388,044

The closing loss allowances as at 31 December 2018 reconcile to the opening loss allowances as follows:

	2018 RM	2017 RM
31 December – calculated under MFRS 139	-	-
Amount restated through opening retained earnings	-	-
Opening loss allowance as at 1 January 2018 - calculated under MFRS 9	-	-
Increase in loss allowance recognised in profit or loss during the year	107,615	-
At 31 December – calculated under MFRS 9	107,615	-

(b) Liquidity risk management

The Company practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirements of working capital.

All financial liabilities of the Company are repayable on demand or are due within one year from the end of the reporting period

(c) Fair values of financial instruments

The fair values of these financial instruments approximate their carrying amounts due to the short-term maturities of these instruments.

22 NON CANCELLABLE LEASES

	2018 RM	2017 RM
Not later than 1 year	111,500	129,600
Later than 1 year and not later than 5 years	130,500	46,000
	242,000	175,600

23 SIGNIFICANT EVENTS SUBSEQUENT TO YEAR END

On 18 March 2019, the Company entered into an assignment agreement with BidCo RelyOn Nutec A/S (Bondholders) and Nordic Trustee AS (Security Agent) as security for the payment and satisfaction in full of the Secured Obligations entered by BidCo RelyOn Nutec A/S for a senior secured callable bonds up to a maximum aggregate amount of EUR 100,000,000, the Company was assigned with the Assigned Rights to and in favour of the Security Agent on behalf of the Secured Parties as assignees represented by the Security Agent, including all of the Assignor's right, title and interest, present and future, to and in the Assigned Rights by way of a first priority assignment.

24 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 June 2019.

Company No.

900073	M

RELYON BESTARI HEALTHCARE SDN. BHD.
(formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Roslee Bin Abdul Rahim and Dr. Muzaffar Bin Salim, being two of the Directors of Relyon Bestari Healthcare Sdn Bhd, (formerly known as Falck Bestari Healthcare Sdn. Bhd.) do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 33 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and financial performance of the Company for the financial year ended 31 December 2018 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 June 2019.

ROSLEE BIN ABDUL RAHIM
Director

DR. MUZAFFAR BIN SALIM
Director

Melaka

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Roslee Bin Abdul Rahim, the Director primarily responsible for the financial management of Relyon Bestari Healthcare Sdn Bhd, (formerly known as Falck Bestari Healthcare Sdn. Bhd.) do solemnly and sincerely declare that the financial statements set out on pages 5 to 33 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

ROSLEE BIN ABDUL RAHIM

Subscribed and solemnly declared by the abovenamed at Melaka in Malaysia on 28 June 2019

Before me:

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
NO: M. 075
CHAN CHIEW YEN
BC/C/801
01/01/19-31/12/21
MALAYSIA
No. 1-9, Jalan PM 14,
Plaza Mahkota Bandar Hilir,
75000 Melaka.

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RELYON BESTARI HEALTHCARE SDN. BHD.
(Formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)
(Company No. 900073 M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Relyon Bestari Healthcare Sdn. Bhd. ("the Company") (formerly known as Falck Bestari Healthcare Sdn. Bhd.) give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 33.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' 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 and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RELYON BESTARI HEALTHCARE SDN. BHD. (CONTINUED)
(Formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)
(Company No. 900073 M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are 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 unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RELYON BESTARI HEALTHCARE SDN. BHD. (CONTINUED)
(Formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)
(Company No. 900073 M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Company, 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RELYON BESTARI HEALTHCARE SDN. BHD. (CONTINUED)
(Formerly known as Falck Bestari Healthcare Sdn. Bhd.)
(Incorporated in Malaysia)
(Company No. 900073 M)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MANOHAR BENJAMIN JOHNSON
03301/05/2021 J
Chartered Accountant

Melaka
28 June 2019

FALCK BESTARI HEALTHCARE SDN. BHD.
(Company No. 900073 - M)
(Incorporated in Malaysia)

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017
(In Ringgit Malaysia)

Company No. 900073 - M

FALCK BESTARI HEALTHCARE SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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FALCK BESTARI HEALTHCARE SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **FALCK BESTARI HEALTHCARE SDN. BHD.** have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activities of the Company are provision for primary healthcare and other related services.

RESULTS OF OPERATIONS

The results of operations of the Company for the financial year are as follows:

	RM
Profit before tax	466,850
Income tax expense	(86,474)
Profit for the year	380,376

In the opinion of the directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the date of the last report, an interim exempt dividend of RM0.26 per ordinary shares, amounting to RM150,000 in respect of the current financial year, was declared and paid by the Company during the financial year.

The directors do not recommend any final dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statement of profit or loss and other comprehensive income and the statement of financial position of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that no provision for doubtful debts was necessary; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

As of the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or setting up of an allowance for doubtful debts in the financial statements of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements of the company which would render any amount stated in the financial statements misleading.

As of the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; and

(b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dr. Muzaffar bin Salim
Wan Shukry bin Wan Karma

DIRECTORS' INTERESTS

The interests in shares in the Company and in a related corporation of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of shares			
	As of 1.1.2017	**Bought**	**Sold**	**As of 31.12.2017**
Shares in the Company				
Registered in the name of director				
Dr. Muzaffar bin Salim	104,400	-	-	104,400
Shares in the holding company - MSTS Asia Sdn. Bhd.				
Registered in the name of director				
Wan Shukry bin Wan Karma	300,000	-	-	300,000

By virtue of the above directors' interests in the shares of the holding company, the directors are also deemed to have an interest in the shares of the Company and of its related companies to the extent that the holding company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the he is a member, or with a company in which the he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

HOLDING COMPANY

The Company is a subsidiary company of MSTS Asia Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

Company No. 900073 - M

AUDITORS

The auditors, Deloitte & Touche PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount payable as remuneration of the auditors for the financial year ended 31 December 2017 is as disclosed in Note 6 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WAN SHUKRY BIN WAN KARMA

DR. MUZAFFAR BIN SALIM

Melaka,
14 June 2018

Deloitte.

Deloitte & Touche PLT
(LLP0010197-LCA)
Chartered Accountants (AF0834)
Level 16, Menara LGB
1 Jalan Wan Kadir
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FALCK BESTARI HEALTHCARE SDN. BHD.

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **FALCK BESTARI HEALTHCARE SDN. BHD.**, which comprise the statements of financial position as of 31 December 2017 the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 36.

In our opinion, the accompanying financial statements give a true and fair view of the financial position Company as of 31 December 2017, and of their financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' 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 and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

(Forward)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company is responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

(Forward)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Company, 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 the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

(Forward)

Company No. 900073 - M

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

DELOITTE & TOUCHE PLT (LLP0010197-LCA)
Chartered Accountants (AF 0834)

KAMARUL BAHARIN BIN TENGKU ZAINAL ABIDIN
Partner - 02903/11/2019 J
Chartered Accountant

14 June 2018

FALCK BESTARI HEALTHCARE SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 RM	2016 RM
Revenue	5	2,362,360	1,640,885
Cost of services rendered		(1,686,113)	(1,204,902)
Gross profit		676,247	435,983
Other income		40	341
Distribution expenses		(348)	(251)
Administrative expenses		(192,589)	(207,543)
Other expenses		(16,500)	(11,000)
Profit before tax	6	466,850	217,530
Income tax expense	7	(86,474)	(63,544)
Profit for the year, representing total comprehensive income for the year		380,376	153,986

The accompanying Notes form an integral part of the Financial Statements.

Company No. 900073 - M

FALCK BESTARI HEALTHCARE SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2017

	Note	2017 RM	2016 RM
ASSETS			
Non-current Asset			
Property, plant and equipment	8	332,981	412,997
Current Assets			
Inventories	9	95,794	76,918
Trade and other receivables	10	359,092	251,178
Amount owing by holding company	11	45,870	33,285
Amount owing by other related company	11	19,523	604
Tax recoverable		35,475	22,415
Cash and bank balances		510,769	273,752
Total Current Assets		1,066,523	658,152
TOTAL ASSETS		1,399,504	1,071,149
EQUITY AND LIABILITIES			
Capital and Reserve			
Share capital	12	580,000	580,000
Retained earnings	13	398,277	167,901
Total Equity		978,277	747,901
Non-current Liability			
Deferred tax liabilities	14	28,400	24,200
Current liabilities			
Trade and other payables	15	130,147	208,542
Amount owing to holding company	11	254,614	80,440
Amount owing to other related companies	11	8,066	10,066
Total Current Liabilities		392,827	299,048
Total Liabilities		421,227	323,248
TOTAL EQUITY AND LIABILITIES		1,399,504	1,071,149

The accompanying Notes form an integral part of the Financial Statements.

FALCK BESTARI HEALTHCARE SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Share capital RM	Distributable reserve - Retained earnings RM	Total RM
As of 1 January 2016	580,000	13,915	593,915
Profit for the year, representing total comprehensive income for the year	-	153,986	153,986
As of 31 December 2016	580,000	167,901	747,901
As of 1 January 2017	580,000	167,901	747,901
Profit for the year, representing total comprehensive income for the year	-	380,376	380,376
Dividend paid (Note 16)	-	(150,000)	(150,000)
As of 31 December 2017	580,000	398,277	978,277

The accompanying Notes form an integral part of the Financial Statements.

Company No. 900073 - M

FALCK BESTARI HEALTHCARE SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	466,850	217,530
Adjustment for:		
Depreciation of property, plant and equipment	99,186	48,937
Operating Profit Before Working Capital Changes	566,036	266,467
(Increase)/Decrease in:		
Inventories	(18,876)	(38,795)
Trade and other receivables	(107,914)	(58,047)
Amount owing by holding company	(12,586)	10,711
Amount owing by other related company	(18,919)	1,493
Increase/(Decrease) in:		
Trade and other payables	(78,395)	149,914
Amount owing to holding company	174,175	(35,526)
Amount owing to other related companies	(2,000)	9,000
Cash Generated From Operating Activities	501,521	305,217
Income tax paid	(95,334)	(58,697)
Net Cash From Operating Activities	406,187	246,520
CASH FLOW USED IN INVESTING ACTIVITY		
Acquisition of property, plant and equipment	(19,170)	(394,002)
CASH FLOW USED IN FINANCING ACTIVITY		
Dividend paid	(150,000)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	237,017	(147,482)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	273,752	421,234
CASH AND CASH EQUIVALENTS AT END OF YEAR (REPRESENTING CASH AND BANK BALANCES)	510,769	273,752

The accompanying Notes form an integral part of the Financial Statements.

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company is principally engaged in the business of provision for primary healthcare and other related services.

The registered office of the Company is located at 48, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, 75250 Melaka.

The principal place of business of the Company is located at G-23, Block A, Permas Mall, No. 3, Jalan Permas Utara, Bandar Baru Permas Jaya, 81750 Johor Bahru, Johor.

The financial statements of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 June 2018.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

Application of Amendments to Malaysian Financial Reporting Standards

In the current financial year, the Company has applied a number of Amendments to MFRSs issued by Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual financial years beginning on or after 1 January 2017 as follows:

Amendmends to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Aset for Unrealised Losses
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 Cycle

The application of these Amendments to MFRSs has no material impact on the disclosures or on the amount recognised in the financial statements of the Company.

Standards, Amendments and Issues Committee Interpretations ("IC Interpretations") in Issue but Not Yet Effective

The directors anticipate that the following Standards and Amendments to MFRSs and IC Interpretations will be adopted in the annual financial statements of the Company when they become effective:

MFRS 9	Financial Instruments[1]
MFRS 15	Revenue from Contracts with Customers[1]
Amendments to MFRSs	Annual Improvements to MFRSs 2014-2016 Cycle[1]
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration[1]
MFRS 16	Leases[2]
IC Interpretation 23	Uncertainty over Income Tax Payments[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

The directors anticipate that the abovementioned standards and IC Interpretations will be adopted in the financial statements of the Company when they become effective and that the adoption of these standards and IC Interpretations will have no material impact on the amounts reported in the financial statements of the Company in the period of initial application except as discussed below:

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in November 2009) introduced new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS 9 issued by IASB in October 2010) includes requirements for the classification and measurement of financial liabilities and for de-recognition, and in February 2014, the new requirements for general hedge accounting was issued by MASB. Another revised version of MFRS 9 was issued by MASB - MFRS 9 (IFRS 9 issued by IASB in July 2014) mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- All recognised financial assets that are within the scope MFRS 139 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost as of the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at the fair value as of the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about and entity's risk management activities have also been introduced.

Based on the analysis of the Company's financial assets and financial liabilities as of 31 December 2017 on the basis of the facts and circumstances that exist as of that date, the directors of the Company have assessed the impact of MFRS 9 to the Company's financial statements. All financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under MFRS 139.

MFRS 15 Revenue from Contract with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue,* MFRS 111 *Construction Contracts* and the related interpretation when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the good or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

Based on the facts and circumstances that exist at that date, the directors of the Company have assessed the impact of MFRS 15 to the Company's financial statements. The directors do not anticipate that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in these financial statements.

MFRS 16 Leases

MFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. MFRS 16 will supersede the current lease guidance including MFRS 17 *Leases* and the related interpretations when it becomes effective.

MFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinction of operating leases (off statement of financial position) and finance leases (on statement of financial position) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on statement of financial position) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under MFRS 17 are presented as operating cash flows; whereas under the MFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The directors anticipate that the application of MFRS 16 in the future may have a material impact on the amount reported and disclosures made in these financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until the Company completes a detailed review.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention, except as disclosed in the accounting policies explained below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117, and measurements that have some similarities to fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurement are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Revenue Recognition

Revenue from provision of medicine and medical services, is recognised in profit or loss net of service tax and discount, as and when the services are performed.

Foreign Currency

The financial statements of the Company are presented in Ringgit Malaysia ("RM"), the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year, except for the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Employee Benefits

i. *Short-term employee benefits*

Wages, salaries, paid annual leave, bonuses and social contributions are recognised in the period in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. *Defined contribution plan*

The Company is required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Once the contributions have been paid, the Company has no further payment obligations. The Company's contributions to EPF are disclosed separately while the employees' contributions to EPF are included in staff costs.

Taxation

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is computed on a straight line method at rates based on the estimated useful lives of the various assets. The annual depreciation rates are as follows:

Plant and machineries	20%
Office and other equipment	20% - 33%
Renovation	20%

A gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

The useful life and depreciation method are reviewed at end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

Impairment of Non-Financial Assets

As of the end of each reporting period, the Company reviews the carrying amounts of assets (other than inventories and financial assets, which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the asset's recoverable amount, which is the higher of fair value less costs to sell and value in use, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is only reversed in the profit or loss to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal is recognised in profit or loss, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

At the end of each reporting period, the provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Company will be required to settle the obligation.

Financial Instruments

(i) ***Initial recognition and measurement***

A financial instrument is recognised in the financial statements when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) ***Financial instrument categories and subsequent measurement***

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's principal financial assets which are mainly classified under loans and receivables include trade and other receivables, intercompany indebtedness and cash and cash equivalents which are initially measured at fair value and subsequently measured at amortised cost.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market (including short-term deposits with financial institutions). Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Equity Instruments

(a) Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

The Company's significant other financial liabilities include trade and other payables and accrued expenses and intercompany indebtedness, which are initially measured at fair value and subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(iii) ***Derecognition***

A financial asset is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivable is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the assets is reduced by the impairment loss through the use of an allowance account.

For receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Statement of Cash Flows

The Company adopts the indirect method in the preparation of statement of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. REVENUE

	2017 RM	2016 RM
Services rendered	2,362,360	1,640,885

6. PROFIT BEFORE TAX

Included in profit before tax are the following charges:

	2017 RM	2016 RM
Director's remuneration:		
Salary	173,000	121,720
Other emoluments	165,876	153,027
Staff costs	459,763	279,720
Depreciation of property, plant and equipment	99,186	48,937
Rental of premise	132,000	97,452
Audit fee	6,997	5,635

Staff costs include salaries, contributions to EPF, bonuses and all other related expenses. EPF contributions made during the financial year by the Company amounted to RM 40,785 (2016: RM22,781).

7. INCOME TAX EXPENSE

	2017 RM	2016 RM
Estimated tax payable:		
Current year	85,763	37,167
(Over)/Underprovision in prior years	(3,489)	2,177
	82,274	39,344
Deferred tax (Note 14):		
Current year	(8,400)	22,700
Underprovision in prior years	12,600	1,500
	4,200	24,200
	86,474	63,544

A reconciliation of income tax expense applicable to profit before tax at statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	2017 RM	2016 RM
Profit before tax	466,850	217,530
Tax at statutory income tax rate of 18% (2016: 19%)	84,033	41,331
Tax effects of:		
Expenses not deductible for tax purposes	4,908	18,536
Income not subject to tax	(11,578)	-
(Over)/Underprovision in prior years:		
Current tax	(3,489)	2,177
Deferred tax	12,600	1,500
Income tax expense	86,474	63,544

8. PROPERTY, PLANT AND EQUIPMENT

Cost	Plant and machineries RM	Office and other equipment RM	Renovation RM	Total RM
As of 1 January 2016	201,095	36,323	116,485	353,903
Additions	238,322	15,967	139,713	394,002
As of 31 December 2016/1 January 2017	439,417	52,290	256,198	747,905
Additions	11,830	2,990	4,350	19,170
As of 31 December 2017	451,247	55,280	260,548	767,075
Accumulated depreciation				
As of 1 January 2016	145,792	29,582	110,597	285,971
Charge for the year	29,288	4,863	14,786	48,937
As of 31 December 2016/1 January 2017	175,080	34,445	125,383	334,908
Charge for the year	61,699	7,433	30,054	99,186
As of 31 December 2017	236,779	41,878	155,437	434,094
Net book value				
As of 31 December 2017	214,468	13,402	105,111	332,981
As of 31 December 2016	264,337	17,845	130,815	412,997

Included in property, plant and equipment are fully depreciated property, plant and equipment with cost of approximately RM278,449 (2016: RM250,447) which are still in use as of 31 December 2017.

9. INVENTORIES

	2017 RM	2016 RM
At cost:		
Medicines	95,794	76,918

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

	2017 RM	2016 RM
Trade receivables	346,022	238,578
Refundable deposits	12,970	12,600
Prepaid expenses	100	-
	359,092	251,178

The credit period granted on services rendered ranges from 1 to 30 days (2016: 1 to 30 days). The Company recognised an allowance for doubtful debts for all receivables over 180 days because historical experience has been that receivables that are past due beyond 180 days are not recoverable.

The Company's historical experience in collection of trade receivables falls within the recorded credit period and management believes that no additional credit risk for collection losses is inherent in the Company's trade receivables.

The Company has significant concentration of credit risk as 5 (2016: 7) major customers account for approximately 39% (2016: 46%) of the total amount outstanding. There are no other customers who represent more than 5% of the total balance of trade receivables at the end of the reporting period.

Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered receivable. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Aging of trade receivable are catergorised as follows:

	2017 RM	2016 RM
Non-impaired:		
Not past due	65,188	67,915
Past due 1 to 30 days	61,245	34,949
Past due 30 to 60 days	60,077	31,001
Past due 61 days to 90 days	45,368	16,022
Past due more than 90 days	114,144	88,691
Total	346,022	238,578
Average age (days)	56	52

11. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The Company is a subsidiary company of MSTS Asia Sdn. Bhd., a company incorporated in Malaysia. The directors regard MSTS Asia Sdn. Bhd. as the ultimate holding company.

Amount owing by/to holding company arose mainly from trade transactions, expenses paid on behalf and advances, which is unsecured, interest-free and repayable on demand, except for the trade transactions that are repayable within normal trade terms of 30 days (2016: 30 days).

Amount owing by/to other related companies arose mainly from trade transactions, group fee payable and expenses paid on behalf which is unsecured, interest-free and repayable on demand.

During the financial year, significant transactions undertaken on basis agreed with related companies are as follows:

	2017 RM	2016 RM
Holding company		
Support service fee	96,600	96,600
Medical fee received	82,258	89,950
Rental paid and payable	96,000	-
Other related companies		
Royalties fees paid and payable	17,000	9,000
Medical fee received	-	1,725

Compensation of key management personnel

The members of key management personnel of the Company comprise Directors of the Company. During the financial year, the key management received remuneration from the Company as disclosed in Note 6.

12. SHARE CAPITAL

	2017 RM	2016 RM
Authorised:		
1,000,000 ordinary shares of RM1 each	-	1,000,000
Issued and fully paid:		
580,000 ordinary shares	580,000	580,000

The Company's issued and fully paid-up share capital comprised ordinary shares with a par value of RM1 each. The new Companies Act, 2016, which came into operation on 31 January 2017, introduced the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

13. RETAINED EARNINGS

Distributable reserves are those available for distribution as dividends.

In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders.

14. DEFERRED TAX LIABILITIES

	2017 RM	2016 RM
As of 1 January	24,200	-
(Credit)/Charge to profit or loss (Note 7):		
Current year:		
Property, plant and equipment	(10,740)	19,340
Trade and other payables	2,340	3,360
	(8,400)	22,700
Underprovision in prior years (Note 7):		
Property, plant and equipment	12,600	1,500
	28,400	24,200

Deferred tax liabilities provided in the financial statements are in respect of the tax effects of the following:

	2017 RM	2016 RM
Temporary differences arising from:		
Property, plant and equipment	22,700	20,840
Trade and other payables	5,700	3,360
	28,400	24,200

15. TRADE AND OTHER PAYABLES

Trade and other payables consist of:

	2017 RM	2016 RM
Trade payables	84,524	74,635
Other payables	1,097	100,490
Accrued expenses	44,526	33,417
	130,147	208,542

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Company for trade purchases is 30 to 90 days (2016: 30 to 90 days).

16. DIVIDEND

	2017 RM	2016 RM
Interim single tier dividend on 580,000 ordinary shares of RM0.26 per share capital, in respect of financial year ended 31 December 2017	150,000	-

17. FINANCIAL INSTRUMENTS

Capital Risk Management

The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2016.

The capital structure of the Company consists of equity (comprising issued capital and retained earnings as disclosed in Notes 12 and 13).

Categories of Financial Instruments and Fair Values

The table below provides an analysis of financial instruments categorised as follows:

	2017 RM	2016 RM
Financial assets		
Loans and receivables:		
Trade receivables	346,022	238,578
Refundable deposits	12,970	12,600
Amount owing by holding company	45,870	33,285
Amount owing by other related company	19,523	604
Cash and bank balances	510,769	273,752
Financial liabilities		
At amortised cost:		
Trade and other payables	130,147	208,542
Amount owing to holding company	254,614	80,440
Amount owing to other related companies	8,066	10,066

Financial Risk Management Objective and Policies

The operations of the Company are subject to a variety of financial risks, including liquidity risk and cash flow risk. The Company has formulated a financial risk management framework whose principal objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

(a) Credit Risk

The Company's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets are the carrying amounts as presented in the statement of financial position.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit. The Company extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. Apart from the customers as disclosed in Note 10, the Company does not have any significant credit risk exposure to any single counterparty having similar characteristics.

(b) Liquidity Risk

The Company practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on undiscounted contractual repayment obligations.

	Carrying amount RM	Contractual cash flows RM	Less than 1 year RM
31 December 2017			
Trade and other payables	130,147	130,147	130,147
Amount owing to holding company	254,614	254,614	254,614
Amount owing to other related companies	8,066	8,066	8,066
	392,827	392,827	392,827
31 December 2016			
Trade and other payables	208,542	208,542	208,542
Amount owing to holding company	80,440	80,440	80,440
Amount owing to other related companies	10,066	10,066	10,066
	299,048	299,048	299,048

(c) Cash flow risk

The Company reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

(d) Fair Values

The carrying amounts of financial assets and financial liabilities of the Company approximate their fair values because of the short-term maturity of these instruments.

18. LEASE COMMITMENTS

As of 31 December 2017, the Company has the following non-cancellable operating lease rental commitments:

	Future Minimum Lease Payments	
	2017	2016
	RM	RM
Not later than 1 year	132,000	129,600
Later than 1 year and not later than 5 years	47,000	175,600
	179,000	305,200

Company No. 900073 - M

FALCK BESTARI HEALTHCARE SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **FALCK BESTARI HEALTHCARE SDN. BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2017 and of the financial performance and the cash flows of the Company for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WAN SHUKRY BIN WAN KARMA

DR. MUZAFFAR BIN SALIM

Melaka,
14 June 2018

Company No. 900073 - M

FALCK BESTARI HEALTHCARE SDN. BHD.
(Incorporated in Malaysia)

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **WAN SHUKRY BIN WAN KARMA**, the director primarily responsible for the financial management of **FALCK BESTARI HEALTHCARE SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

WAN SHUKRY BIN WAN KARMA

Subscribed and solemnly declared by the abovenamed **WAN SHUKRY BIN WAN KARMA** in the State of **MELAKA** this 14th day of June, 2018.

Before me,

PESURUHJAYA SUMPAH
NO: M. 075
CHAN CHIEW YEN
BC/C/801
01/01/18-31/12/18
MALAYSIA

COMMISSIONER FOR OATHS

No. 1-9, Jalan PM 14,
Plaza Mahkota, Bandar Hilir,
75000 Melaka.

Company No.

592413	U

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Company No.

592413	U

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

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Company No.

592413	U

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2018.

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Wan Shukry Bin Wan Karma
Torben Harring
Lizette Kjellerup (resigned on 18 April 2019)
Wan Normi Binti Wan Karma (resigned on 14 September 2018)
Roslee Bin Abdul Rahim (appointed on 18 March 2019)

PRINCIPAL ACTIVITIES

The principal activities of the Company are provision of manpower and labour resources.

FINANCIAL RESULTS

	RM
Net profit for the financial year	85,064

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its paid up capital from RM10 to RM1,000 by way of issuance of 990 units of new ordinary shares for cash.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company during the financial year except as follows:

	Number of ordinary shares			
	As of 1.1.2018	Bought	Sold	As of 31.12.2018
Registered in the name of Director				
Wan Shukry Bin Wan Karma	3	297	(250)	50

By virtue of the Director's interest in the shares of the holding company, the Director is also deemed to have interests in the shares of the Company and of its related companies during the year to the extent that the holding company has an interest.

DIVIDEND

The dividends paid or declared by the Company since the end of the previous financial year were as follows:

In respect of the financial year ended 31 December 2018:

	RM
Dividend of RM13,000 per share on 10 ordinary shares declared on 18 July 2018 and paid on 19 July 2018	130,000

DIRECTORS' REMUNERATION

No Director has received or become entitled to receive Directors' remuneration by the Company during the financial year.

There was no indemnity given or insurance effected for any Director which was paid or declared by the Company for the financial year ended 31 December 2018.

HOLDING COMPANIES

The Directors regard Falck Global Safety B.V. and Falck Holding A/S, companies incorporated in Netherland and Denmark, as the immediate holding company and ultimate holding company respectively.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report:

(i) there are no charges on the assets of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

(i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Company No.

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FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 6 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 28 June 2019. Signed on behalf of the Board of Directors.

WAN SHUKRY BIN WAN KARMA
DIRECTOR

ROSLEE BIN ABDUL RAHIM
DIRECTOR

Company No.

592413	U

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 RM	2017 RM
Revenue	5	823,190	1,420,000
Operating expenses		(748,355)	(1,260,448)
Profit before tax	6	74,835	159,552
Tax	7	10,229	5,965
Net profit and total comprehensive income for the financial year		85,064	165,517

Company No.

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FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-current assets			
Deferred tax assets	8	107,253	67,000
Current Assets			
Amount owing by related company	9	340,687	551,200
Tax recoverable		20,290	-
Cash and bank balances	10	264,961	453,750
Total current assets		625,938	1,004,950
LIABILITIES			
Non-current Liability			
Staff retention scheme	11	198,783	306,815
Current Liabilities			
Payables	12	267,478	86,646
Amount owing to a related company	9	-	335,921
Tax payables		-	31,692
Total current liabilities		267,478	454,259
Net current assets		358,460	550,691
		266,930	310,876
EQUITY			
Capital and reserves attributable to equity holder of the Company			
Share capital	13	1,000	10
Retained earnings	14	265,930	310,866
Shareholder's equity		266,930	310,876

Company No.

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FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital RM	Retained earnings RM	Total RM
As of 1 January 2018	10	310,866	310,876
Comprehensive income			
Net profit and total comprehensive income for the financial year	-	85,064	85,064
Transaction with owner			
Dividends paid (Note 15)	-	(130,000)	(130,000)
Issuance of shares (Note 13)	990	-	990
As of 31 December 2018	1,000	265,930	266,930
As of 1 January 2017	10	145,349	145,359
Comprehensive income			
Net profit and total comprehensive income for the financial year	-	165,517	165,517
As of 31 December 2017	10	310,866	310,876

Company No.

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FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	74,835	159,552
Adjustment for:		
Provision for staff retention scheme	24,490	445,664
	99,325	605,216
Changes in working capital:		
Payables	48,310	35,445
Amount owing by a related company	210,513	(551,200)
Amount owing to a related company	(335,921)	335,921
Cash generated from operations	22,227	425,382
Staff retention scheme paid	-	(284,074)
Tax paid	(82,006)	(34,481)
Net cash (used in)/generated from operating activities	(59,779)	106,827
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issue of shares	990	-
Dividend paid	(130,000)	-
Net cash used in financing activities	(129,010)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(188,789)	106,827
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	453,750	346,923
CASH AND CASH EQUIVALENTS AT END OF YEAR	264,961	453,750

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1 GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company is principally engaged in the businesses of provision of manpower and labour resources.

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 606 & 607, Jalan Melaka Raya 10, Taman Melaka Raya, 75000 Melaka.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

The preparation of financial statements in conformity with the MPERS requires the use of certain critical accounting estimates. It also requires Directors to exercise its judgement in the process of applying the Company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 4.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

(a) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated using the tax rates (and tax laws) enacted or substantively enacted at the end of the reporting date in the country where the Company operates and generates taxable income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Current and deferred income tax (continued)

Deferred tax is provided on all taxable temporary differences. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets (including tax benefit from reinvestment allowance are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.
Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(b) Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at the undiscounted amount of cash expected to be received, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Impairment loss is the difference between the carrying amount of the receivables and the present value of estimated cash flows discounted at the receivables' original effective interest rate and is recognised in profit or loss.

(c) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held to meet short term cash commitments instead of for investment or other purposes. Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value. Bank overdraft which is repayable on demand and forms an integral part of the Company's cash management is a component of cash and cash equivalents.

Bank overdraft is shown within borrowings in current liabilities in the statement of financial position.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Employee benefit obligations

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statement of financial position.

(ii) Staff retention scheme

The provision for staff retention scheme represents a long service incentive scheme for employees. The provision has been derived from any excess of unutilised yearly accruals for bonuses as at year end. Withdrawal is subject to the completion of 5 years continuous service in the Company. Initial withdrawal by an employee is limited to a maximum of 50% of the amount allocated and the subsequent withdrawal is limited to a maximum of 40% of the remaining amount. The subsequent withdrawal is subject to 3 years waiting period from the previous withdrawal.

(e) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(f) Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at the undiscounted amount of cash expected to be paid.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Share capital

(i) Classification

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

(ii) Dividend distribution

Dividend distribution to the Company's shareholders is recognised directly in equity and as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods. Revenue is shown net of goods and services tax, returns, rebates and discounts and amounts collected on behalf of third parties.

(i) Rendering of services

Revenue from rendering of services are recognised by reference to the stage of completion of the services rendered at the end of the reporting period when the outcome of the transaction can be estimated reliably. The stage of completion is determined using the proportion that costs incurred for work performed to date bear to the estimated total costs. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period. When a specific act is much more significant than any other act, recognition of revenue will be postponed until the significant act is executed.

When the outcome of the transactions cannot be estimated reliably, revenue will be recognised only to the extent of the expense recognised that are recoverable.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Ringgit Malaysia, which is the Company's presentation and functional currency.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Company's results and financial position are tested for sensitivity to changes in the underlying parameters.

There are no estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

5 REVENUE

	2018 RM	2017 RM
Management fee	823,190	1,420,000

6 PROFIT BEFORE TAX

The following amounts have been charged in arriving at profit before tax:

	2018 RM	2017 RM
Staff costs:		
Wages, salaries and bonuses	585,798	1,112,030
Defined contribution plan	75,347	76,761
Other employee benefits	49,448	62,810
Provision for staff retention scheme	24,490	445,664
Audit fee	7,000	3,465

7 TAX

	2018 RM	2017 RM
Current year	35,450	59,005
Overprovision in prior years	(5,426)	(4,970)
	30,024	54,035
Deferred tax (Note 8)	(40,253)	(60,000)
	(10,229)	(5,965)

The explanation of the relationship between tax and profit before tax is as follows:

	2018 RM	2017 RM
Profit before tax	74,835	159,552
Tax calculated at the statutory income tax rate of 24% (2017: 24%)	17,960	38,292
Tax at lower rate	-	(11,287)
Tax effects of:		
Overprovision in prior year	(5,426)	(4,970)
Income not taxable	(22,763)	(28,000)
Tax	(10,229)	(5,965)

8 DEFERRED TAX ASSETS

	2018 RM	2017 RM
Deferred tax assets	107,253	67,000
At beginning of the financial year	67,000	7,000
Credited to profit or loss (Note 7)		
- provision for staff retention scheme	40,253	60,000
At end of the financial year	107,253	67,000
Deferred tax assets (before and after offsetting):		
- provision for staff retention scheme	107,253	67,000

9 AMOUNT OWING BY/TO A RELATED COMPANY

Amount owing by/to a related company, which arose mainly from the management fee and payments made on behalf, is unsecured, interest-free and repayable on demand.

During the financial year, the amount owing by a related company were offset against the amounts owing to a related company and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

10 CASH AND BANK BALANCES

	2018 RM	2017 RM
Bank balances	264,959	453,748
Cash on hand	2	2
As of 31 December	264,961	453,750

The bank balance is deposit held at call with bank and earned no interest.

11 STAFF RETENTION SCHEME

	2018 RM	2017 RM
As at 1 January	306,815	145,225
Charged to profit or loss	24,490	445,664
Paid during the financial year	-	(284,074)
As of 31 December	331,305	306,815
Current (disclosed within payables)	132,522	-
Non-current	198,783	306,815
As of 31 December	331,305	306,815

12 PAYABLES

	2018 RM	2017 RM
Accrued expenses	134,956	86,646
Staff retention scheme	132,522	-
	267,478	86,646

13 SHARE CAPITAL

	2018 RM	2017 RM
Issued and fully paid share capital		
Balance as at 1 January	10	10
Issued during the financial year	990	-
Balance as at 31 December	1,000	10

During the financial year, the Company increased its paid up capital from RM10 to RM1,000 by way of issuance of 990 units of new ordinary shares for cash.

14 RETAINED EARNINGS

The Company is governed under the single-tier dividend system. Under the single-tier system, the Company can distribute all its retained earnings as single-tier dividends. Dividends paid are tax exempt in the hands of the shareholders.

15 DIVIDENDS PAID

	2018 RM	2017 RM
Dividend on 10 ordinary shares of RM13,000 per share	130,000	-

16 SIGNIFICANT RELATED PARTY TRANSACTION

In addition to inform disclosed elsewhere in the financial statements, the other significant transaction with related party is as follows:

	2018 RM	2017 RM
Related company		
Management fee receivable	823,190	1,420,000

The transaction was based on agreed terms between the parties.

Name of related company	Relationship
MSTS Asia Sdn. Bhd.	Fellow subsidiary

17 FINANCIAL INSTRUMENTS

	2018 RM	2017 RM
Financial assets measured at amortised cost less impairment		
Amount owing by a related company	340,687	551,200
Cash and bank balances	264,961	453,750
	605,648	1,004,950
Financial liabilities measured at amortised cost		
Payables	134,956	86,646
Amount owing to a related company	-	335,921
Staff retention scheme	331,305	306,815
	466,261	729,382

18 SIGNIFICANT EVENTS SUBSEQUENT TO YEAR END

On 19 March 2019, the Company entered into an agreement to be the guarantor of Nordic Trustee AS. As guarantor the Company acceded as obligor to an intercreditor agreement entered between BidCo RelyOn Nutec A/S (Issuer) and the Security Agent as bond trustee for the Bondholders, the Issue has issued bond in an aggregate maximum amount of up to EUR100,000,000, subject to the terms and conditions of the Bond Terms.

As continuing security for the due and punctual payment, discharge and performance of the Secured Obligations, the Guarantor adhere to jointly and severally, irrevocably and unconditionally, on the terms and conditions set out in the agreement, guarantee as independent primary obligors to the Security Agent the payment, discharge and punctual performance of the Secured Obligations on the Security Agent's demand until the expiry of the Security Period.

The Guarantor also adhere to irrevocably and unconditionally undertakes with the Security Agent that it shall pay any amount owed by the Guarantor in connection with the Secured Obligation as if it was the principle obligor.

The Guarantor also adhere to irrevocably and unconditionally indemnifies the Security Agent against any cost, loss or liability suffered by the Security Agent or the Secured Parties if any of the Secured Obligations is or become unenforceable, invalid or illegal.

19 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 June 2019.

Company No.

592413	U

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Wan Shukry Bin Wan Karma and Roslee Bin Abdul Rahim, being two of the Directors of Falck Nutec Malaysia Sdn Bhd, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 17 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and financial performance of the Company for the financial year ended 31 December 2018 in accordance with the Malaysian Private Entities Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 June 2019.

WAN SHUKRY BIN WAN KARMA
Director

ROSLEE BIN ABDUL RAHIM
Director

Melaka

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Roslee Bin Abdul Rahim, the officer primarily responsible for the financial management of Falck Nutec Malaysia Sdn Bhd, do solemnly and sincerely declare that the financial statements set out on pages 5 to 17 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

ROSLEE BIN ABDUL RAHIM

Subscribed and solemnly declared by the abovenamed at Melaka on 28 June 2019.

Before me:

PESURUHJAYA SUMPAH
NO: M. 075
CHAN CHIEW YEN
BC/C/801
01/01/19-31/12/21
MALAYSIA

COMMISSIONER FOR OATHS

No. 1-9, Jalan PM 14,
Plaza Mahkota Bandar Hilir,
75000 Melaka.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)
(Company No. 592413 U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Falck Nutec Malaysia Sdn. Bhd. ("the Company") give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 17.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' 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 and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 15-1, Tower B, Jaya 99, 99 Jalan Tun Sri Lanang, P.O. Box 140, 75720 Melaka, Malaysia
T: +60 (6) 283 6169, F: +60 (6) 284 4368, www.pwc.com/my

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FALCK NUTEC MALAYSIA SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 592413 U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are 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 unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 AUDITORS' REPORT
TO THE MEMBERS OF FALCK NUTEC MALAYSIA SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 592413 U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Company, 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FALCK NUTEC MALAYSIA SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
(Company No. 592413 U)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MANOHAR BENJAMIN JOHNSON
03301/05/2021 J
Chartered Accountant

Melaka
28 June 2019

FALCK NUTEC MALAYSIA SDN. BHD.
(Company No. 592413 - U)
(Incorporated in Malaysia)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017**
(In Ringgit Malaysia)

Company No. 592413 - U

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **FALCK NUTEC MALAYSIA SDN. BHD.** have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activities of the Company are provision of manpower and labour resources.

RESULTS OF OPERATIONS

The results of the Company for the financial year are as follows:

	RM
Profit before tax	159,552
Income tax credit	5,965
Profit for the year	165,517

In the opinion of the directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors proposed a final single tier dividend of RM1.30 per ordinary shares, amounting to RM130,000 in respect of the current financial year. The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statement of profit or loss and other comprehensive income and the statement of financial position of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there are no known bad debts to be written off and that no allowance for doubtful debts is required; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or the setting up of an allowance for doubtful debts in the financial statements of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Wan Shukry Bin Wan Karma
Wan Normi Binti Wan Karma
Lizette Kjellerup (appointed on 2 May 2017)
Torben Harring (appointed on 15 November 2017)
Tom Bjerg Lauritzen (appointed on 2 May 2017 and resigned on 15 November 2017)
Hans Jensen (resigned on 2 May 2017)
Bo UggerhØj (resigned on 2 May 2017)

DIRECTORS' INTERESTS

The interest in shares in the Company of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	No. of ordinary shares			
	As of 1.1.2017	Bought	Sold	As of 31.12.2017
Shares in the Company				
Registered in the name of director				
Wan Shukry bin Wan Karma	3	-	-	3

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

HOLDING COMPANIES

The Company is a subsidiary company of Falck Global Safety B.V., a company incorporated in Netherlands. The directors regard Falck Global Safety B.V and Falck Holding A/S., which are incorporated in the Netherlands and Denmark respectively, as the intermediate and ultimate holding company respectively.

Company No. 592413 - U

AUDITORS

The auditors, Deloitte & Touche PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount payable as remuneration of the auditors for the financial year ended 31 December 2017 is as disclosed in Note 6 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WAN SHUKRY BIN WAN KARMA

LIZETTE KJELLERUP

Melaka,
14 June 2018

Deloitte.

Deloitte & Touche PLT
(LLP0010197-LCA)
Chartered Accountants (AF0834)
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

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INDEPENDENT AUDITORS' REPORTTO THE MEMBERS OF FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of **FALCK NUTEC MALAYSIA SDN. BHD**, which comprise the statement of financial position as of 31 December 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2017 and its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' 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 and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

(Forward)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

(Forward)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Company, 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 the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

(Forward)

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

DELOITTE & TOUCHE PLT (LLP0010197-LCA)
Chartered Accountants (AF 0834)

KAMARUL BAHARIN BIN TENGKU ZAINAL ABIDIN
Partner - 02903/11/2019 J
Chartered Accountant

14 June 2018

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 RM	2016 RM
Revenue	5	1,420,000	900,000
Other operating expenses		(1,260,448)	(730,283)
Profit before tax	6	159,552	169,717
Income tax credit/(expense)	7	5,965	(80,207)
Profit for the year, representing total comprehensive income for the year		165,517	89,510

The accompanying Notes form an integral part of the Financial Statements

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2017

	Note	2017 RM	2016 RM
ASSETS			
Non-current Asset			
Deferred tax assets	8	67,000	7,000
Current Assets			
Amount owing by a related company	9	551,200	-
Cash and bank balances		453,750	346,923
Total Current Assets		1,004,950	346,923
TOTAL ASSETS		1,071,950	353,923
EQUITY AND LIABILITIES			
Capital and Reserve			
Share capital	10	10	10
Retained earnings	11	310,866	145,349
Total Equity		310,876	145,359
Non-current Liability			
Other liability	12	306,815	97,681
Current Liabilities			
Trade and other payables	13	86,646	51,200
Amount owing to a related company	9	335,921	-
Other liability	12	-	47,544
Tax liabilities		31,692	12,139
Total Current Liabilities		454,259	110,883
Total Liabilities		761,074	208,564
TOTAL EQUITY AND LIABILITIES		1,071,950	353,923

The accompanying Notes form an integral part of the Financial Statements.

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Share capital RM	Distributable reserve - Retained earnings RM	Total RM
As of 1 January 2016	10	55,839	55,849
Profit for the year, representing total comprehensive income for the year	-	89,510	89,510
As of 31 December 2016	10	145,349	145,359
As of 1 January 2017	10	145,349	145,359
Profit for the year, representing total comprehensive income for the year	-	165,517	165,517
As of 31 December 2017	10	310,866	310,876

The accompanying Notes form an integral part of the Financial Statements.

Company No. 592413 - U

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 RM	2016 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	159,552	169,717
Adjustment for:		
Provision for staff retention scheme	445,664	44,951
Operating Profit Before Working Capital Changes	605,216	214,668
Decrease/(Increase) in:		
Prepaid expenses	-	540
Amount owing by a related company	(551,200)	-
Increase/(Decrease) in:		
Trade and other payables	35,445	(64,141)
Amount owing to a related company	335,921	-
Cash Generated From Operations	425,382	151,067
Staff retention scheme paid	(284,074)	-
Income tax paid	(34,481)	(74,566)
Net Cash Generated From Operating Activities	106,827	76,501
NET INCREASE IN CASH AND CASH EQUIVALENT	106,827	76,501
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	346,923	270,422
CASH AND CASH EQUIVALENTS AT END OF YEAR (REPRESENTING CASH AND BANK BALANCES)	453,750	346,923

The accompanying Notes form an integral part of the Financial Statements.

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company is principally engaged in the businesses of provision of manpower and labour resources.

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 606 & 607, Jalan Melaka Raya 10, Taman Melaka Raya, 75000 Melaka.

The financial statements of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 14 June 2018.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act, 2016 in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Management fee is recognised upon services rendered.

Tax Assets and Tax Liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods in excess the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the entity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary difference. The exceptions for initial recognition differences include items of property, plant and equipment that do not quality for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor tax taxable profit (or tax loss).

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that the future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which an entity in the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of a part or all of the deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient future taxable profit will be available.

Current and deferred tax are recognised as an expense or income in the profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

Employee Benefits

(i) Short-term employee benefits

Salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

The short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Post-employment benefits

The Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. The contributions are charged to the statement of comprehensive incomes in the period to which they relate. Once the contributions have been paid, the Company have no further payment obligation.

Financial Instruments

(i) Initial Recognition and Measurement

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provision of the instruments.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of Financial Instruments

A financial asset, whether as a single item or as a part, is derecognised when, and only when the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

(iii) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Company classifies its financial assets into two categories, namely (i) financial assets at fair value through profit and loss; and (ii) financial assets at amortised cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment.

(iv) Subsequent Measurement of Financial Liabilities

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method, except for any derivative instruments that are classified as liabilities, which are measured at fair value.

(v) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, the Company recognises a gain or loss in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instruments.

(vi) Impairment and Uncollectability of Financial Assets

At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset is impaired. Evidences of trigger loss events includes: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivable for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective provision is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

Provisions

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Statement of Cash Flows

The Company adopts the indirect method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

In the application of the Company's accounting policies, which are described in Note 3, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. REVENUE

Management fee is recognised upon services rendered.

6. PROFIT BEFORE TAX

Included in profit before tax are the following charges:

	2017 RM	2016 RM
Staff costs	1,192,765	662,598
Provision for staff retention scheme (Note 12)	445,664	44,951
Audit fee	3,465	2,835

Included in staff costs are contributions to EPF made by the Company amounting to RM 76,761 (2016: RM68,733) during the financial year.

7. INCOME TAX (CREDIT)/EXPENSE

	2017 RM	2016 RM
Estimated tax payable:		
Current year	59,005	40,939
(Over)/Underprovision in prior years	(4,970)	46,268
	54,035	87,207
Deferred tax (Note 8):		
Current year	(32,000)	18,100
Overprovision in prior years	(28,000)	(25,100)
	(60,000)	(7,000)
	(5,965)	80,207

A numerical reconciliation of income tax (credit)/expense at the applicable statutory income tax rate to income tax (credit)/expense at the effective income tax rate of the Company is as follows:

	2017 RM	2016 RM
Profit before tax	159,552	169,717
Tax at the statutory income tax rate of 18% (2016: 19%)	28,719	32,246
Tax effects of:		
Expenses not deductible for tax purposes	499	26,793
Change in tax rate	(2,213)	-
(Over)/Underprovision in prior years:		
Current tax	(4,970)	46,268
Deferred tax	(28,000)	(25,100)
Income tax (credit)/expense	(5,965)	80,207

8. **DEFERRED TAX ASSETS**

	2017 RM	2016 RM
As of 1 January	7,000	-
Credit /(Charge) to profit or loss (Note 7):		
Current year:		
Other liability	27,000	-
Trade and other payables	5,000	(18,100)
	32,000	(18,100)
Underprovision in prior years:		
Other liability	28,000	-
Trade and other payables	-	25,100
	28,000	25,100
As of 31 December	67,000	7,000

Deferred tax assets provided in the financial statements are in respect of the tax effects of the following:

	2017 RM	2016 RM
Deferred tax asset		
Temporary differences arising from:		
Other liability	55,000	-
Trade and other payables	12,000	7,000
	67,000	7,000

9. AMOUNT OWING BY/TO A RELATED COMPANY

Amount owing by/to a related company, which arose mainly from management fee and payment made on behalf, is unsecured, interest-free and repayable on demand.

During the financial year, significant related party transactions, which are entered into on terms negotiated between the parties, are as follows:

	2017 RM	2016 RM
Related company		
Management fee	1,420,000	900,000

10. SHARE CAPITAL

	2017 RM	2016 RM
Authorised:		
100,000 ordinary shares of RM1 each	-	100,000
Issued and fully paid:		
10 ordinary shares	10	10

The Company's issued share capital comprises ordinary shares with a par value of RM1 each. The new Companies Act, 2016 (Act), which came into operation on January 31, 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

11. RETAINED EARNINGS

The Company is currently under the single tier income tax system in accordance with the Finance Act 2007. Under this system, tax on a company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders.

12. OTHER LIABILITY

	2017 RM	2016 RM
As of 1 January	145,225	100,274
Provision during the year	445,664	44,951
Payment during the year	(284,074)	-
As of 31 December	306,815	145,225

Other liability in the statement of financial position has been presented as follows:

	2017 RM	2016 RM
Non-current	306,815	97,681
Current	-	47,544
As of 31 December	306,815	145,225

The provision for staff retention scheme represents the long service incentive scheme for employees. The estimate has been derived from any excess of unutilised yearly accrual for bonus as of year-end.

13. TRADE AND OTHER PAYABLES

Trade and other payables consist of:

	2017 RM	2016 RM
Trade payables	-	17,503
Accrued expenses	86,646	33,697
	86,646	51,200

The average credit period granted to the Company for trade purchases is 30 days (2016: 30 days).

14. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

	2017 RM	2016 RM
Financial assets		
Loans and receivables:		
Amount owing by a related company	551,200	-
Cash and bank balances	453,750	346,923
Financial liabilities		
At amortised cost:		
Trade and other payables	86,646	51,200
Amount owing to a related company	335,921	-
Other liability	306,815	145,225

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **FALCK NUTEC MALAYSIA SDN. BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Private Entities Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2017 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WAN SHUKRY BIN WAN KARMA

LIZETTE KJELLERUP

Melaka,
14 June 2018

Company No. 592413 - U

FALCK NUTEC MALAYSIA SDN. BHD.
(Incorporated in Malaysia)

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **WAN SHUKRY BIN WAN KARMA**, the director primarily responsible for the financial management of **FALCK NUTEC MALAYSIA SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

WAN SHUKRY BIN WAN KARMA

Subscribed and solemnly declared by the abovenamed **WAN SHUKRY BIN WAN KARMA** at **MELAKA** this 14th day of June, 2018.

Before me,

PESURUHJAYA SUMPAH
NO: M. 075
CHAN CHIEW YEN
BC/C/801
01/01/18-31/12/18
MALAYSIA

COMMISSIONER FOR OATHS

No. 1-9, Jalan PM 14,
Plaza Mahkota, Bandar Hilir,
75000 Melaka.

ANNUAL ACCOUNTS AND OTHER STATEMENTS PURSUANT TO DOCUMENTS REQUIRED TO BE LODGED BY THE COMPANIES' CODE

IDENTIFICATION DETAILS (on the date of lodgement)

NAME: **RelyOn Nutec Belgium**

Legal form: **BVBA**

Address: **Esplanadestraat** Nº **1**

Postcode: **8400** Locality: **Ostend**

Country: **Belgium**

Register of Legal Entities (RLE) - Commercial Tribunal for **Ghent, Ostend division**

Internet address[1]:

Company number **0543.401.225**

DATE **11/04/2019** on which the deed of incorporation was lodged OR of the most recent document stating the date of the publication of the deed of incorporation and the deed amending the articles of association

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ANNUAL ACCOUNTS **IN EURO (to 2 decimal points)** [2]

approved by the general meeting of **3/06/2019**

in relation to the financial year covering the period from **1/01/2018** to **31/12/2018**

Previous financial year from **1/01/2017** to **31/12/2017**

The amounts for the previous financial year are / are not [3] identical to those published previously.

Total number of pages lodged: **29** Numbers of the sections of the standard model that have not been lodged because they are not of any use:

Signature (name and job title)

Van Cauwenberghe Peter

Business Manager

Signature (name and job title)

[1] Optional.

[2] If necessary adjust the unit and currency in which the amounts are expressed.

[3] Delete where not applicable.

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS AND DECLARATION OF ANY ADDITIONAL ASSIGNMENT FOR REVIEW OR ADJUSTMENT

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS

FULL LIST with surname, forenames, occupation, place of residence (address, number, postcode and locality) and position in the company

Leyden Colin

Kyle Crescent, Dunfermline 33, KY11 8G Fife, United Kingdom

Position: Business Manager

Mandate: 7/03/2014- 19/03/2019

Van Cauwenberghe Peter

Rederskaai 33, box 302, 8380 Zeebrugge (Bruges), Belgium

Position: Business Manager

Mandate: 19/03/2019

Deloitte Bedrijfsrevisoren CVBA 0429053863

Gateway Building - Luchthaven Brussel Nationaal 1J, 1930 Zaventem, Belgium

Position: Auditors

Mandate: 2/06/2017- 2/06/2020

Represented by:

1. Kesselaers Jurgen
   Lange Lozanastraat 270, 2018 Antwerp 1, Belgium
   Company Auditor, Membership number: IBR1446

DECLARATION OF ANY ADDITIONAL ASSIGNMENT FOR REVIEW OR ADJUSTMENT

The governing board hereby declares that no assignments for review or adjustment have been given to anyone not entitled thereto pursuant to articles 34 and 37 of the Act of 22nd April 1999 relative to accountancy and tax professions.

The annual accounts have / ~~have not~~ * been verified or adjusted by an external accountant or by a company auditor that is not the auditor.

If they have, the following must be stated: surname, forenames, occupation and place of residence of any external accountant or company auditor and his/her membership number with his/her Institute, as well as the nature of his/her assignment:

A. Keeping the company's accounts **,
B. Drawing up the annual accounts **,
C. Verifying the annual accounts and/or
D. Adjusting the annual accounts.

If the assignments listed under A. or B. are carried out by accredited accountants or by accredited accountants/tax specialists, please state the following: surname, forenames, occupation and place of residence of each accredited accountant or accredited accountant/tax specialist and his/her membership number at the Professional Institute of Accredited Accountants and Tax Specialists, as well as the nature of his/her assignment.

Surname, forenames, occupation and place of residence	Membership number	Nature of the assignment (A, B, C and/or D)
Beerts & Co Accountants Civil partnership in the form of a limited liability company 0451.722.268 Koninklijkelaan 1A, 2600 Berchem (Antwerp), Belgium Position: External accountant	2211004N94	B
Represented by:		
1. Beerts Bert Koninklijkelaan 1A , 2600 Berchem (Antwerp), Belgium	76672N59	

* Delete where not applicable.
** Optional.

ANNUAL ACCOUNTS

BALANCE SHEET AFTER ALLOCATION OF PROFITS

	Note	Codes	Financial year	Previous financial year
ASSETS				
INCORPORATION COSTS		20		
FIXED ASSETS		21/28	1,394,153.45	1,370,925.27
Intangible fixed assets	6.1.1	21		
Tangible fixed assets	6.1.2	22/27	1,164,153.45	1,370,925.27
Land and buildings		22		
Installations, machinery and equipment		23	1,098,216.43	1,315,818.58
Furniture and vehicles		24	65,937.02	55,106.69
Leasing and similar rights		25		
Other tangible fixed assets		26		
Assets under construction and prepayments		27		
Financial fixed assets	6.1.3	28	230,000.00	
CURRENT ASSETS		29/58	541,876.65	482,470.55
Receivables after more than one year		29		
Trade receivables		290		
Other receivables		291		
Stocks and orders in progress		3		
Stocks		30/36		
Orders in progress		37		
Receivables within one year		40/41	353,254.10	374,298.54
Trade receivables		40	352,783.73	340,865.75
Other receivables		41	470.37	33,432.79
Cash investments		50/53		
Liquid assets		54/58	172,365.38	97,084.50
Accruals		490/1	16,257.17	11,087.51
TOTAL ASSETS		20/58	1,936,030.10	1,853,395.82

	Note	Codes	Financial year	Previous financial year
LIABILITIES				
EQUITY CAPITAL		10/15	1,627,694.76	1,478,716.85
Capital		10	2,100,000.00	2,100,000.00
Subscribed capital		100	2,100,000.00	2,100,000.00
Uncalled capital [4]...		101		
Issue premiums		11		
Revaluation surpluses		12		
Reserves		13		
Statutory reserve..		130		
Unavailable reserves		131		
For own shares		1310		
Other		1311		
Tax-free reserves		132		
Available reserves		133		
Profit (loss) carried forward ....(+)/(-)		14	-472,305.24	-621,283.15
Capital subsidies		15		
Advances to partners on the distribution of the net assets [5]...		19		
PROVISIONS AND DEFERRED PAYMENTS ..		16		
Provisions for risks and costs..........................		160/5		
Pensions and similar obligations		160		
Fiscal charges		161		
Major repairs and maintenance....................		162		
Environmental obligations...		163		
Other risks and costs...		164/5		
Deferred taxes		168		

[4] Amount to be deducted from the subscribed capital.

[5] Amount to be deducted from the components of equity capital.

	Note	Codes	Financial year	Previous financial year
DEBTS		17/49	308,335.34	374,678.97
Debts at more than one year	6.3	17		
Financial debts...		170/4		
Credit institutions, leasing debts and similar debts...		172/3		
Other loans		174/0		
Trading debts		175		
Advance payments received on orders...............		176		
Other debts		178/9		
Debts due in one year or less.................................	6.3	42/48	308,129.90	374,678.97
Debts at more than one year that become due within the year...		42		
Financial debts...		43		
Credit institutions		430/8		
Other loans		439		
Trading debts		44	249,168.03	319,894.03
Suppliers		440/4	249,168.03	319,894.03
Bills of exchange to be paid		441		
Advance payments received on orders.............		46		
Debts relating to taxes, remuneration and social charges...		45	58,961.87	54,784.94
Taxes		450/3		
Remuneration and social charges		454/9	58,961.87	54,784.94
Other debts		47/48		
Accruals		492/3	205.44	
TOTAL LIABILITIES		10/49	1,936,030.10	1,853,395.82

PROFIT-AND-LOSS ACCOUNT

	Note	Codes	Financial year	Previous financial year
Operating revenue and company expenses				
Gross margin ....(+)/(-)		9900	965,879.30	409,280.65
Of which: non-recurrent operating revenue..........		76A		
Turnover*		70	2,385,351.22	1,856,589.77
Goods for resale, raw materials and additives, services and miscellaneous goods*		60/61	1,498,032.04	1,454,848.72
Remuneration, social charges and pensions .... (+)/(-)	6.4	62	538,105.42	509,766.08
Depreciation and writedowns on incorporation costs, intangible and tangible fixed assets..		630	267,166.35	328,295.57
Value reductions on stocks, orders in progress and on trading receivables: additions (reversals)..(+)/(-)		631/4		
Provisions for risks and costs: additions (expenditure and reversals)...(+)/(-)		635/8		
Other operating costs...		640/8	7,228.47	9,697.22
Operating costs activated as restructuring charges…..(-)		649		
Non-recurrent operating costs..................................		66A		
Operating profit (Operating loss) .... (+)/(-)		9901	153,379.06	-438,478.22
Financial revenue	6.4	75/76B	436.57	3,045.64
Recurrent financial revenue................................		75	436.57	3,045.64
Of which: capital and interest subsidies		753		
Non-recurrent financial costs..........................		76B		
Financial costs...	6.4	65/66B	4,837.72	25,539,.55
Recurrent financial costs		65	4,837.72	25,539.55
Non-recurrent financial costs...................................		66B		
Profit (Loss) for the financial year before tax .... (+)/(-)		9903	148,977.91	-460,972.13
Withdrawal to deferred....................		780		
Transfer to deferred taxes...............		680		
Tax on the result .... (+)/(-)		67/77		325.03
Profit (Loss) for the financial year ....(+)/(-)		9904	148,977.91	-461,297.16
Withdrawal to the tax-free reserves....................		789		
Transfer to tax-free reserves		689		
Profit (loss) for the financial year to be allocated .... (+)/(-)		9905	148,977.91	-461,297.16

* Optional.

PROCESSING OF THE RESULT

	Codes	Financial year	Previous financial year
Profit (loss) to be allocated .... (+)/(-)	9906	-472.305,24	-1.903.283,15
Profit (loss) of the financial year to be allocated ....(+)/(-)	(9905)	148.977,91	-461.297,16
Profit (loss) carried forward from the previous financial year ....(+)/(-)	14P	-621.283,15	-1.441.985,99
Withdrawal to equity capital	791/2		1.282.000,00
Addition to equity capital..	691/2		
to the capital and to the issue premiums...	691		
to the statutory reserve	6920		
to the other reserves	6921		
Profit (loss) to be transferred ....(+)/(-)	(14)	-472.305,24	-621.283,15
Contribution from the partners in the loss	794		
Profit to be paid out	694/7		
Payment of the capital	694		
Directors or business managers	695		
Employees	696		
Other entitled parties	697		

NOTES

STATUS OF THE FIXED ASSETS

	Codes	Financial year	Previous financial year
INTANGIBLE FIXED ASSETS			
Purchase value at the end of the financial year	8059P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Purchases, including the fixed assets produced.......	8029		
Transfers and retirements	8039		
Transfers from one heading to another............................(+)/(-)	8049		
Purchase value at the end of the financial year................................	8059		
Depreciation and writedowns at the end of the financial year.	8129P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Recorded	8079		
Withdrawn	8089		
Acquired from third parties...	8099		
Withdrawn after transfers and retirements.........................	8109		
Transfers from one heading to another ....(+)/(-)	8119		
Depreciation and writedowns at the end of the financial year.	8129		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	(21)		

	Codes	Financial year	Previous financial year
TANGIBLE FIXED ASSETS			
Purchase value at the end of the financial year......................................	8199P	xxxxxxxxxxxxxxx	2,434,732.84
Changes during the financial year			
Purchases, including the fixed assets produced.......	8169	60,394.53	
Transfers and retirements	8179		
Transfers from one heading to another……...................................(+)/(-)	8189		
Purchase value at the end of the financial year......................................	8199	2,495,127.37	
Gains at the end of the financial year	8259P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Recorded	8219		
Acquired from third parties..	8229		
Withdrawn after transfers and retirements.........................	8239		
Transfers from one heading to another.................................(+)/(-)	8249		
Gains at the end of the financial year	8259		
Depreciation and writedowns at the end of the financial year.....	8329P	xxxxxxxxxxxxxxx	1,063,807.57
Changes during the financial year			
Recorded	8279	267,166,.35	
Withdrawn	8289		
Acquired from third parties..	8299		
Withdrawn after transfers and retirements.........................	8309		
Transferred from one heading to another................................(+)/(-)	8319		
Depreciation and writedowns at the end of the financial year....	8329	1,330,973.92	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR.......................	(22/27)	1,164,153.45	

	Codes	Financial year	Previous financial year
FINANCIAL FIXED ASSETS			
Purchase value at the end of the financial year......................................	8395P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Purchases	8365	230.000,00	
Transfers and retirements	8375		
Transfers from one heading to another...............................(+)/(-)	8385		
Other changes ....(+)/(-)	8386		
Purchase value at the end of the financial year......................................	8395	230.000,00	
Gains at the end of the financial year	8455P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Recorded	8415		
Acquired from third parties...	8425		
Withdrawn..	8435		
Transfers from one heading to another...................................(+)/(-)	8445		
Gains at the end of the financial year	8455		
Reductions in value at the end of the financial year	8525P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Recorded..	8475		
Withdrawn..	8485		
Acquired from third parties...	8495		
Withdrawn after transfers and retirements...........................	8505		
Transfers from one heading to another ....(+)/(-)	8515		
Reductions in value at the end of the financial year	8525		
Uncalled amounts at the end of the financial year	8555P	xxxxxxxxxxxxxxx	
Changes during the financial year...(+)/(-)	8545		
Uncalled amounts at the end of the financial year	8555		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	(28)	230.000,00	

STATUS OF THE CAPITAL

	Codes	Financial year
Own shares		
Retained by the company itself		
Capital amount	8721	
Number of shares	8722	
Retained by its subsidiaries		
Capital amount	8731	
Number of shares	8732	

STATUS OF DEBTS

	Codes	Financial year
BREAKDOWN OF DEBTS WITH AN ORIGINAL TERMS GREATER THAN ONE YEAR, BY REMAINING TERM		
Total debts at more than one year that fall due within the year	(42)	
Total debts with a remaining terms of more than one year, but 5 years at most	8912	
Total debts with a remaining term of more than 5 years	8913	
GUARANTEED DEBTS *(included in items 17 and 42/48 of the assets)*		
Debts guaranteed by Belgian government institutions		
Financial debts	8921	
Credit institutions, leasing debts and similar debts	891	
Other loans	901	
Trading debts	8981	
Suppliers	8991	
Bills of exchange payable	9001	
Advance payments received on orders	9011	
Debts relating to taxes, remuneration and social charges	9021	
Other debts	9051	
Total debts guaranteed by Belgian government institutions	9061	
Debts guaranteed by business sureties lodged or irrevocably pledged on the company's assets		
Financial debts	8922	
Credit institutions, leasing debts and similar debts	892	
Other loans	902	
Trading debts	8982	
Suppliers	8992	
Bills of exchange payable	9002	
Advance payments received on orders	9012	
Debts relating to taxes, remuneration and social charges	9022	
Taxes	9032	
Remuneration and social charges	9042	
Other debts	9052	
Total debts guaranteed by business sureties lodged or irrevocably pledged on the company's assets	9062	

RESULTS

	Codes	Financial year	Previous financial year
STAFF AND STAFFING COSTS			
Employees for whom the company has submitted a DIMONA declaration or who are entered in the general staff register			
Average headcount calculated in full-time equivalents	9087	6,4	6,6
REVENUE AND COSTS OF EXCEPTIONAL SCOPE OR EXCEPTIONAL EXTENT OF PREVENTION			
Non-recurrent revenue	76		
Non-recurrent operating revenue	(76A)		
Non-recurrent financial revenue	(76B)		
Non-recurrent costs	66		
Non-recurrent operating costs	(66A)		
Non-recurrent financial costs	(66B)		
FINANCIAL RESULTS			
Activated interest..	6503		

RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

	Codes	Financial year
SURETIES LODGED OR IRREVOCABLY PLEDGED BY THE COMPANY TO GUARANTEE THE DEBTS OR OBLIGATIONS OF THIRD PARTIES	9149	
Of which		
Trading securities in circulation endorsed by the company	9150	
BUSINESS SURETIES		
Business sureties lodged or irrevocably pledged by the company on its own assets to guarantee the company's debts and obligations		
Mortgages		
Book value of the encumbered assets	9161	
Amount subscribed	9171	
Pledge on goodwill – Amount subscribed	9181	
Pledge on other assets – Book value of the assets pledged	9191	
Sureties on assets yet to be acquired by the company – Amount of the assets in question	9201	
Business sureties lodged or irrevocably pledged by the company on its own assets to guarantee the debts and obligations of third parties		
Mortgages		
Book value of the encumbered assets	9162	
Amount subscribed	9172	
Pledge on goodwill – Amount subscribed	9182	
Pledge on other assets – Book value of the assets pledged	9192	
Sureties on assets yet to be acquired by the company – Amount of the assets in question	9202	

	Financial year
AMOUNT, NATURE AND FORM OF MAJOR DISPUTES PENDING AND OTHER IMPORTANT OBLIGATIONS	

SCHEME REGARDING THE SUPPLEMENTARY RETIREMENT OR SURVIVOR'S PENSION ON BEHALF OF STAFF OR MANAGEMENT

Brief description

The company has pension plans of the fixed contribution type, which are financed through the group insurance plans. These plans are subject to a minimum return guarantee by the employer, as defined by the Act of 28th April 2003, amended by the Act of 18th December 2015. As of 31st December 2018, the application of the minimum return guarantee had not resulted in a shortfall of the vested obligations in relation to the reserves built up for these plans, based on an analysis of the difference between the statutory minimum return and the actual return guaranteed by the insurance companies. As a result, no provision has been set aside in the annual accounts at 31st December 2018.

Measures taken to cover the associated costs

	Code	Financial year
PENSIONS BORNE BY THE COMPANY ITSELF		
Estimated amount of the obligations arising from work already carried out	9220	
Base and manner in which this amount is calculated		

RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

	Financial year
NATURE AND BUSINESS PURPOSE OF OFF-BALANCE SHEET SCHEMES	
Provided the risks or benefits associated with these schemes are of some significance and insofar as the disclosure of such risks or benefits is necessary for assessing the company's financial position	

	Financial year
OTHER RIGHTS AND OBLIGATIONS IN THE BALANCE SHEET (including those for which figures cannot be given)	

RELATIONS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES, DIRECTORS, BUSINESS MANAGERS AND AUDITOR(S)

	Codes	Financial year
AFFILIATED OR ASSOCIATED COMPANIES		
Guarantees granted in their favour	9294	
Other significant obligations entered into in their favour	9295	
DIRECTORS AND BUSINESS MANAGERS, NATURAL PERSONS OR LEGAL ENTITIES WHO/WHICH CONTROL THE COMPANY DIRECTLY OR INDIRECTLY WITHOUT BEING AFFILIATED COMPANIES, OR OTHER COMPANIES THAT ARE CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PERSONS OR ENTITIES		
Outstanding claims on these persons or entities	9500	
Main conditions regarding the claims, interest rate, term, any amounts repaid or written off or any amounts waived		
Guarantees granted in their favour	9501	
Other significant obligations entered into in their favour	9502	

	Financial year
THE AUDITOR(S) AND PERSONS WITH WHICH HE/SHE/IT IS ASSOCIATED	
The auditor’s fee for the audit is	7,765.56

	Financial year
TRANSACTIONS OUTSIDE NORMAL MARKET CONDITIONS ENTERED INTO DIRECTLY OR INDIRECTLY	
With persons who have a share in the company	
Nature of the transaction	
The Board of Directors states that there are no objective or legal criteria that clearly describe what is	0.01
meant by transactions outside normal market conditions, as set out in the Royal Decree of 10th August	0.01
2009. As there are no such legal criteria that enable an inventory of transactions with associated	0.01
parties outside normal market conditions to be drawn up, no information could be included in the VKT	0.01
6.6 statement.	0.01
With enterprises in which the company itself has a holding	
Nature of the transaction	
The Board of Directors states that there are no objective or legal criteria that clearly describe what is	0.01
meant by transactions outside normal market conditions, as set out in the Royal Decree of 10th August	0.01
2009. As there are no such legal criteria that enable an inventory of transactions with associated	0.01
parties outside normal market conditions to be drawn up, no information could be included in the VKT	0.01
6.6 statement.	0.01
With members of the company’s managerial, supervisory or governance bodies	
Nature of the transaction	
The Board of Directors states that there are no objective or legal criteria that clearly describe what is	0.01
meant by transactions outside normal market conditions, as set out in the Royal Decree of 10th August	0.01

RELATIONS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES, DIRECTORS, BUSINESS MANAGERS AND AUDITOR(S)

	Financial year
TRANSACTIONS OUTSIDE NORMAL MARKET CONDITIONS ENTERED INTO DIRECTLY OR INDIRECTLY	
With members of the company's managerial, supervisory or governance bodies	
Nature of the transaction	
August 2009. As there are no such legal criteria that enable an inventory of transactions with	0.01
associated parties outside normal market conditions to be drawn up, no information could be	0.01
included in the VKT 6.6 statement.	0.01

STATEMENT REGARDING THE CONSOLIDATED ANNUAL ACCOUNTS

INFORMATION THAT MUST BE PROVIDED BY THE COMPANY IF IT IS A SUBSIDIARY OR JOINT SUBSIDIARY

Name, full address of the registered office and, if it is a company incorporated under Belgian law, the company number of the parent company(ies) and an indication as to whether these parent company(ies) draw up and publish consolidated annual accounts that include its/their consolidated annual accounts*:

Relyon Nutec Holding A/S

Kalvebod Brygge 45

1780 Copenhagen, Denmark

The parent company draws up and publishes consolidated annual accounts for the main part.

If the parent company(ies) is/are incorporated under foreign law, state the location where these consolidated annual accounts are available*:

Relyon Nutec Holding A/S

Kalvebod Brygge 45

1780 Copenhagen, Denmark

* If the company's annual accounts are consolidated on various levels, this information will be provided for the smallest group of companies of which the company is a subsidiary and for which consolidated annual accounts are drawn up and published.

1. Principle

The valuation rules are established in accordance with the provisions of the Royal Decree of 30th January 2001 to implement the Companies' Code.

For the purpose of providing a true picture, the following exceptional cases differ from the valuation rules set out by this Decree:

These differences are justified as follows:

These differences affect the company's assets, financial position and pre-tax result as follows:

If the valuation rules have been (changed) (not changed) with regard to the previous financial year in terms of wording or application, then any change relates to:

and has a (positive) (negative) effect on the result for the financial year before tax in the amount of EUR.

If the profit-and-loss account (is) (is not) affected significantly by revenues and costs that need to be allocated to a previous financial year, then this will relate to:

The figures for the financial year are not comparable with the figures for the previous financial year for the following reason:

(In order for them to be comparable, the figures for the previous financial year have been adjusted on the following points)
(In order for the annual accounts of both years to be compared, the following elements need to be taken into account):

In the absence of objective assessment criteria, the valuation of foreseeable risks, possible losses and depreciations dealt with below unavoidably becomes random:

Other information required to enable the annual accounts to present a true picture of the company's assets, financial position and result:

2. Fixed assets

Incorporation costs:

The incorporation costs are charged immediately, except for the following costs, which are capitalised:

Restructuring costs:

If the restructuring costs were ~~(capitalised)~~ (not capitalised) during the course of the financial year, this is justified as follows:

Intangible fixed assets:

The amount of intangible fixed assets includes costs of EUR for research and development. The writedown term for these costs and for goodwill is ~~(more)~~ (not more) than 5 years; if it is more than 5 years, this term is justified as follows:

Tangible fixed assets:

If during the course of the financial year, tangible fixed assets (were) (were not) revalued, this is justified as follows:

VALUATION RULES

Writedowns recorded during the financial year:

Assets	Method L *(linear)* D *(degressive)* A *(other)*	Base NG *(not revalued)* G *(revalued)*	Writedown percentages	
			Principal Min. - Max.	Principal Min. - Max.
1. Incorporation costs				
2. Intangible fixed assets				
intangible fixed assets	L	NG	10.00 – 20.00	10.00 – 20.00
3. Industrial, administrative or commercial buildings*				
Buildings	L	NG	3.00 – 4.00	3.00 – 4.00
4. Installations, machinery and equipment*				
Installations	L	NG	10.00 – 33.33	10.00 – 33.33
Machinery	L	NG	10.00 – 33.33	10.00 – 33.33
Equipment	L	NG	10.00 – 33.33	10.00 – 33.33
5. Vehicles*				
Vehicles	L	NG	20.00 – 20.00	20.00 – 20.00
6. Office equipment and furniture*				
Furniture	L	NG	10.00 – 33.33	10.00 – 33.33
7. Other tangible fixed assets				

* Including assets held in leasing; where applicable, these are stated on a separate line

Surplus of applied, tax-deductible, accelerated depreciation compared with economically justified depreciation:

- amount for the financial year: EUR.
- combined amount for the fixed assets acquired from the financial year beginning after 31st December 1983: EUR.

Financial fixed assets:

If during the course of the financial year holdings ~~(were)~~ (were not) revalued, this revaluation is justified as follows

3. Current assets

Stocks:

Stocks are valued at the **acquisition value** calculated using the *(state)* method of average weighted prices, Fifo, Lifo, individualisation of the price of each component or at the **lower market value:**

1. Raw materials and additives:

2. Goods in progress - finished product:

3. Trading goods:

4. Immovable property intended for sale:

Products:

- The manufacturing price of the products (includes) (does not include) indirect production costs.
- The manufacturing price of the products for which production covers more than one year, (includes) (does not include) financial costs associated with the capital borrowed to financial their production.

At the end of the financial year, the market value of total stocks was approximately % more than their book value.
(This information is only required if the difference is significant).

VALUATION RULES

Orders in progress:

Orders in progress are valued (at their manufacturing price)

(at their manufacturing price, plus part of the profit, depending on the progress of the works).

4. Liabilities

Debts:

If the liabilities ~~(include~~) (do not include) long-term debts, at zero interest rate or an abnormally low interest rate, then (a) (no) discount is applied to these debts that is capitalised.

Foreign currency:

The conversion into EUR of assets, debts and commitments in foreign currency takes place on the following basis:

Assets and commitments in place at the end of the financial year, expressed in foreign currency, which are entered at various exchange rates, are valued at the indicative rates published by the European Central Bank on the date the financial year ends. However, the company may use an average of the rates for the last month of the financial year if this creates a more dependable picture.

The indicative rate used for each currency is the cash rate, even for assets and commitments that only come due later. The revaluation at the indicative rate applies to all monetary items, except those that are the subject of specific hedging.

The results from the conversion of foreign currency are processed as follows in the annual accounts:

If the accruals for a specific currency:

a) only contain negative conversion results that correspond with latent losses, these are charged;
b) only contain positive conversion results that correspond with latent gains, these are included in the result;
c) contain negative and positive conversion results, these are dealt with as follows:
i) if the overall end result is negative, this is charged;
ii) if the overall end result is positive, this is included in the result.

If the conversion result is positive for some currencies and negative for others, no offsetting is applied. All conversion differences are included in the result.

Leasing agreements:
For non-activated user rights from leasing agreements *(article 102, §1 of the Royal Decree of 30th January 2001 implementing the Companies' Code),* payments and rental amounts for leasing immovable property during the financial year was: EUR.

OTHER INFORMATION TO BE STATED IN THE NOTES

The Financial Fixed Assets relate to a loan made to an associated company, Falck Safety Holding A/S.

A general loan agreement has been reached between Relyon Nutec Belgium BVBA and Relyon Nutec Holding A/S for a maximum amount of credit of €1,000,000.00. The interest rate is calculated at the Euribor 3-month rate plus 1%.
The loan has been granted for an indefinite period of time, with an ultimate repayment date of 31/12/2025. The borrower can make early repayments.

The annual accounts for the past financial year show a loss carried forward. As a consequence, article 96, §1, 6° of the Companies' Code applies and maintenance of the valuation rules must be justified in the assumption of continuity.
Management is of the opinion that the continuity of the Company is not in danger and hence has decided to retain the valuation rules on the assumption of continuity. This is for the following reasons:
- The losses were caused by exceptional circumstances, namely the fact that the Company is still in the start-up phase.
The Company benefits from the support of a group with powerful capital backing to which it belongs.

OTHER DOCUMENTS TO BE LODGED IN ACCORDANCE WITH THE COMPANIES' CODE

INFORMATION ABOUT SHAREHOLDINGS

SHAREHOLDINGS AND CORPORATE RIGHTS IN OTHER COMPANIES

Below is a list of companies in which the company has a shareholding (stated in item 28 of the assets), as well as the other companies in which the company owns corporate rights (stated in items 28 and 50/53 of the assets) up to a minimum of 10% of the issued capital.

NAME, full address of the REGISTERED OFFICE and, if it is a company incorporated under Belgian law, the COMPANY NUMBER	Corporate rights held				Details taken from the most recent annual accounts available			
	Nature	direct		subsidiaries	Annual accounts at	Munt-code	Equity capital	Net result
		Number	%	%			(+) or (-) *(in units)*	

LIST OF COMPANIES FOR WHICH THE COMPANY HAS UNLIMITED LIABILITY IN ITS CAPACITY AS UNLIMITED LIABLE PARTNER OR MEMBER

The annual accounts of each of the companies for which the company has unlimited liability will be attached to the annual accounts submitted and published with them, unless there is a reason stated in the second column as to why this is not the case; this statement is made by reference to the applicable code (A, B or D) which is defined below.

The annual accounts of the company stated:

A. are published by this company through lodgement with the National Bank of Belgium;

B. are actually published by this company in another member state of the European Union, in accordance with article 3 of directive 2009/101/EC;

D. relate to a partnership, a temporary trading company or a silent trading company.

NAME, full address of the REGISTERED OFFICE, LEGAL FORM and, if it is a company incorporated under Belgian law, the COMPANY NUMBER	Any code

THE COMPANY’S SHAREHOLDING STRUCTURE ON THE DATE OF THE YEAR-END

as seen from the notifications received by the company in accordance with the Companies’ Code, article 631 §2 last paragraph and article 632 §2 last paragraph; the Act of 2nd May 2007 relative to the disclosure of major shareholdings, article 14 paragraph four; and the Royal Decree of 21st August 2008 setting out more detailed rules regarding certain multilateral trading facilities, article 5.

NAME of the persons who own corporate rights in the company, stating the ADDRESS (of the registered office if it is a legal entity) and the COMPANY NUMBER if it is a company under Belgian law	Corporate rights held			
	Nature	Number of voting rights		%
		Linked to securities	Not linked to securities	
Relyon Nutec Holding B.V. Beerweg 101 3199LM Rotterdam Netherlands	Registered shares	3.381.999	0	99.99
Relyon Nutec Holding A/S BO Kalvebod Brygge 45 1780 Copenhagen Denmark	Registered shares	1	0	0.01

OTHER INFORMATION TO PROVIDE PURSUANT TO ARTICLE 100 OF THE COMPANIES’ CODE

	Codes	Financial year
DEBTS RELATED TO TAXES, REMUNERATION AND SOCIAL CHARGES *(items 45 and 178/9 of the liabilities)*		
Tax debts due	9072	
Debts owed to the National Social Security Office...	9076	
AMOUNT OF THE CAPITAL AND INTEREST SUBSIDIES ALLOCATED OR CHARGED BY THE GOVERNMENT OR BY GOVERNMENT INSTITUTIONS..	9078	

SOCIAL BALANCE SHEET

Numbers of the joint representation committees acting for the company: 200

EMPLOYEES FOR WHOM THE COMPANY HAS LODGED A DIMONA DECLARATION OR WHO ARE ENTERED IN THE GENERAL STAFF REGISTER

During the financial year and the previous financial year	Codes	1. Full-time *(financial year)*	2. Part-time *(financial year)*	3. Total (T) or total in Full-Time Equivalents (FTE) *(financial year)*	3P. Total (T) or total in Full-Time Equivalents (FTE) *(previous financial year)*
Average number of employees............	100	6.3	0.2	6.4 (FTE)	6.6 (FTE)
Actual number of hours worked	101	11,112	228	11,340 (T)	10,888 (T)
Staffing costs	102	527,286.37	10,819.05	538,105.42 (T)	509,766.08 (T)

On the closing date of the financial year	Codes	1. Full-time	2. Part-time	3. Total in Full-Time Equivalents
Number of employees	105	7		7.0
According to the nature of the employment agreement				
Open-ended agreement	110	7		7.0
Fixed-term agreement	111			
Agreement for a clearly described assignment	112			
Replacement agreement	113			
According to gender and level of education				
Men	120	3		3.0
primary education	1200			
secondary education	1201	1		1.0
higher, non-university education	1202	1		1.0
university education	1203	1		1.0
Women	121	4		4.0
primary education	1210			
secondary education	1211			
higher, non-university education	1212	4		4.0
university education	1213			
According to category of occupation				
Management staff	130			
White-collar employees	134	7		7.0
Blue-collar workers	132			
Other..	133			

TABLE OF STAFF TURNOVER DURING THE FINANCIAL YEAR

	Codes	1. Full-time	2. Part-time	3. Total in Full-Time Equivalents
ARRIVALS				
Number of employees for whom the company lodged a DIMONA declaration during the financial year or who were entered in the general staff register during the financial year..	205	1		1,0
DEPARTURES				
Number of employees with a date indicated in the DIMONA declaration or a date entered in the general staff register on which their agreement came to an end during the financial year...	305		1	0,8

INFORMATION ABOUT THE TRAINING PROVIDED FOR EMPLOYEES DURING THE FINANCIAL YEAR

	Codes	Men	Codes	Women
Total of the formal continuing vocational training initiatives paid for by the employer				
Number of employees involved..	5801	3	5811	3
Number of training hours attended..	5802	132	5812	16
Net cost for the company	5803	6,034.65	5813	2,526.43
of which gross costs associated directly with the training	58031	5,933.99	58131	2,450.61
of which amounts paid and payments made to collective funds	58032	100.66	58132	75.82
of which allowances received (deducted)	58033		58133	
Total of the less formal and informal continuing vocational training initiatives paid for by the employer				
Number of employees involved..	5821		5831	
Number of training hours attended..	5822		5832	
Net cost for the company..	5823		5833	
Total of the initial vocational training initiatives paid for by the employer				
Number of employees involved..	5841		5851	
Number of training hours attended..	5842		5852	
Net cost for the company..	5843		5853	

RelyOn Nutec Belgium BVBA

Report from the auditor to the general meeting about the financial year ending on 31st December 2018 – Annual accounts

Report from the auditor to the general meeting of RelyOn Nutec Belgium BVBA about the financial year ending on 31st December 2018 – Annual accounts

We hereby present our auditor's report in the context of the statutory audit of the annual financial statements of RelyOn Nutec Belgium BVBA (the "company"). It contains our report about the annual accounts, as well as the other statutory and regulatory requirements. This report constitutes a whole and is indivisible.

We were appointed in our capacity of auditors by the general meeting held on 2nd June 2017, pursuant to the proposal made by the administrative body. Our mandate expires on the date of the general meeting that deliberates on the annual financial statements ending on 31st December 2019. We have conducted the statutory audit of the annual accounts of RelyOn Nutec Belgium BVBA for five successive financial years.

Report about the annual accounts

Opinion without reservation

We have conducted the statutory audit of the company's annual accounts, which include the balance sheet as of 31st December 2018, as well as the profit-and-loss account for the financial year ending on that date and the notes, with a balance sheet total of 1 936 (000) EUR and for which the profit-and-loss account ends with a profit for the financial year of 149 (000) EUR.

In our opinion, the annual financial statements provide a faithful picture of the assets and financial position of the company on 31st December 2018, as well as of its results across the financial year ending on that date, in accordance with the accounting reference system that applies in Belgium.

Basis for the opinion without reservation

We conducted our audit in line with the international standards on auditing (ISAs), as they apply in Belgium. We also applied the international audit standards applied by IAASB, which were in effect on the closing date and which have not yet been approved on a national level. Our responsibilities under these standards are set out in more detail in the section headed "Responsibilities of the auditor for auditing the annual accounts" of our report. We have complied with all ethical requirements that are relevant for auditing annual accounts in Belgium, including those that relate to impartiality.

We received the clarifications and information required for our audit from the administrative body and from the company's officially appointed representatives.

We are of the opinion that the audit information received by us is sufficient and appropriate as the basis for our assessment and opinion.

Responsibilities of the administrative body

The administrative body is responsible for drawing up the annual accounts, which provide a faithful picture in accordance with the accounting reference system that applies in Belgium, as well as for the internal control that the governing body deems necessary for drawing up the annual accounts that contain no discrepancies of material importance that are the result of fraud or errors.

In drawing up the annual accounts, the governing body is responsible for assessing the company's ability to continue trading, as well as the explanation, if applicable, of matters that relate to continuity and the use of the assumption of continuity, except if the governing body has the intention to liquidate the company or to terminate operating activities or if it does not have any realistic alternative other than to do so.

Responsibilities of the auditor for auditing the annual accounts

Our objective is to obtain a reasonable level of certainty regarding the question of whether the annual accounts as a whole contain any discrepancies of material importance that are the result of fraud or errors and the issue of an auditor's report that includes our opinion. A reasonable level of certainty is a high level of certainty, although it is no guarantee that an audit conducted in accordance with ISAs will always uncover discrepancies of material importance should such discrepancies exist. Discrepancies may occur as the result of fraud or errors and are considered to be of material importance if it can be reasonably expected that they, individually or collectively, may influence economic decisions taken by users based on the annual accounts.

In conducting our audit, we comply with the statutory, regulatory and standards-based framework that applies to the auditing of annual accounts in Belgium.

As part of an audit conducted in accordance with ISAs, we apply professional assessments and opinions and maintain a professional and critical attitude throughout the audit. We also carried out the following tasks:

- the identification and assessment of the risks that the annual accounts contain discrepancies of material importance that are the result of fraud or errors, the definition and implementation of auditing work that anticipates these risks, and the process of obtaining audit information that is sufficient and appropriate to be used for the basis of our assessment and opinion. The risk of not detecting discrepancies of material importance is greater if a discrepancy is the result of fraud or is the result of errors. This is because in the event of fraud, it may be a question of conspiracy, falsehood in the records, the deliberate omission of recording transactions, the deliberate incorrect presentation of business or the breach of internal controls;
- obtaining an insight into the internal controls that are relevant for the audit, for the purpose of putting audit works in place that are suitable in the given

circumstances, but which are not focused on providing an assessment of the effectiveness of the internal control and management of the company;
- evaluating the suitability of the bases used for financial reporting and assessing the reasonable nature of the estimated made by the administrative body and the explanations relating thereto;
- reaching the conclusion that the assumption of continuity used by the administrative body is acceptable, and concluding, based on the audit information obtained, whether there is any uncertainty of material importance with regard to the events or circumstances that might give rise to significant doubt about the company's ability to maintain its continuity. If we conclude that there is any uncertainty of material importance, we are required to draw attention to this in our auditor's report in the relevant notes in the annual accounts or, if these notes and explanations are inadequate, to adjust our opinion accordingly. Our conclusions are based on the audit information obtained up until the date of our auditor's report. However, events or circumstances in the future may result in the company being unable to maintain its continuity;
- evaluating the general presentation, structure and contents of the annual accounts, as well as the question of whether the annual accounts reflect the underlying transactions and events in a manner that results in a faithful picture being given.

We communicate with the persons tasked with governance about the planned scope and timing of the audit and about any major audit findings, including any significant shortcomings in internal control processes that we identify during our audit.

Other statutory and regulatory requirements

Responsibilities of the administrative body

The administrative body is responsible for drawing up the annual report and its contents. It is also responsible for complying with the statutory and administrative law requirements that apply to keeping accounts, as well as complying with the Companies' Code and the company's articles of association.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional Belgian standard (reviewed in 2018) included in the international standards of auditing (ISAs) that apply, it is our responsibility, taking account of all the insights of material importance, to verify the annual report and compliance of the obligations stated in the Companies' Code and the articles of association, as well as to issue a report about these matters.

Aspects regarding the annual report

After carrying out specific work on the annual report, we are of the opinion that this annual report corresponds with the annual report for the same financial year and that it has been drawn up in accordance with articles 95 and 96 of the Companies' Code.

In the context of our audit of the annual financial statements, we are also responsible for considering, in particular based on the knowledge obtained during the audit, whether the annual report contains any discrepancies of material importance, either information that is stated incorrectly or that is misleading in any other way. In the light of the work carried out by us, we do not have any discrepancies of material importance to report.

Statement regarding the company balance sheet

The company balance sheet to the lodged with the National Bank of Belgium in accordance with article 100, § 1, 6º/2 of the Companies' Code, contains both in terms of form and content all of the information prescribed by the Companies' Code. It does not contain any inconsistencies of material importance with regard to the information obtained by us as part of our assignment.

Statement regarding impartiality

Our company auditing office and our network have not conducted any assignments that are incompatible with the statutory audit of the annual accounts and during the course of our mandate, our company auditing office remained impartial vis-à-vis the company.

Other statements

- Without prejudice to formal aspects of subsidiary importance, the accounting was conducted in accordance with the statutory and administrative law requirements that apply in Belgium.
- The processing of the results that will be presented to the annual meeting corresponds with legal and statutory provisions.
- We have no transactions or decisions to report to you that have been conducted or made in breach of the articles of association of Companies' Code, except for the non-compliance of the statutory periods set out in article 283 of the Companies' Code in relation to making the necessary legal documents available to the partners.

Antwerp, 24th May 2019

(signature)

Deloitte Bedrijfsrevisoren CVBA
Represented by Jurgen Kesselaers

20				1	EUR		
NAT.	Lodgement date	Nº 0543.401.225	Page	E.	D.		VKT 1

ANNUAL ACCOUNTS AND OTHER STATEMENTS PURSUANT TO DOCUMENTS REQUIRED TO BE LODGED BY THE COMPANIES' CODE

IDENTIFICATION DETAILS

NAME: **Falck Safety Services Belgium**

Legal form: **BVBA**

Address: **Esplanadestraat** Nº **1**

Postcode: **8400** Locality: **Ostend**

Country: **Belgium**

Register of Legal Entities (RLE) – Commercial Tribunal for **Ghent, Ostend division**

Internet address[1]:

Company number **0543.401.225**

DATE **24/03/2014** on which the deed of incorporation was lodged OR of the most recent document stating the date of the publication of the deed of incorporation and the deed amending the articles of association.

ANNUAL ACCOUNTS **IN EURO (to 2 decimal points)** [2]

approved by the general meeting of **2/06/2018**

in relation to the financial year covering the period from **1/01/2017** to **31/12/2017**

Previous financial year from **1/01/2016** to **31/12/2016**

The amounts for the previous financial year are / are not [3] identical to those published previously.

Total number of pages lodged: **29** Numbers of the sections of the standard model that have not been lodged because they are not of any use:

Signature (name and job title)
Leyden Colin
Business Manager

Signature (name and job title)

1 Optional.

2 If necessary adjust the unit and currency in which the amounts are expressed.

3 Delete where not applicable.

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS AND DECLARATION OF ANY ADDITIONAL ASSIGNMENT FOR REVIEW OR ADJUSTMENT

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS

FULL LIST with surname, forenames, occupation, place of residence (address, number, postcode and locality) and position in the company

Uggerhoj Bo

Holmbovej 34, 9900 Frederikshavn, Denmark

Position: Business Manager

Mandate: 29/09/2016- 13/03/2017

Leyden Colin

Kyle Crescent, Dunfermline 33, KY11 8G Fife, United Kingdom

Position: Business Manager

Mandate: 7/03/2014

Deloitte Bedrijfsrevisoren BV ovv CVBA BV ovv BVBA 0429053863

Gateway Building - Luchthaven Nationaal 1, bus J, 1930 Zaventem, Belgium

Position: Auditors

Mandate: 2/06/2017- 2/06/2020

Represented by:

1. Kesselaers Jurgen
   Lange Lozanastraat 270 , 2018 Antwerp 1, Belgium
   Company Auditor

DECLARATION OF ANY ADDITIONAL ASSIGNMENT FOR REVIEW OR ADJUSTMENT

The governing board hereby declares that no assignments for review or adjustment have been given to anyone not entitled thereto pursuant to articles 34 and 37 of the Act of 22nd April 1999 relative to accountancy and tax professions.

The annual accounts have / ~~have not~~ * been verified or adjusted by an external accountant or by a company auditor that is not the auditor.

If they have, the following must be stated: surname, forenames, occupation and place of residence of any external accountant or company auditor and his/her membership number with his/her Institute, as well as the nature of his/her assignment:

A. Keeping the company's accounts **,
B. Drawing up the annual accounts **,
C. Verifying the annual accounts and/or
D. Adjusting the annual accounts.

If the assignments listed under A. or B. are carried out by accredited accountants or by accredited accountants/tax specialists, please state the following: surname, forenames, occupation and place of residence of each accredited accountant or accredited accountant/tax specialist and his/her membership number at the Professional Institute of Accredited Accountants and Tax Specialists, as well as the nature of his/her assignment.

Surname, forenames, occupation and place of residence	Membership number	Nature of the assignment (A, B, C and/or D)
Beerts & Co Accountants Civil partnership in the form of a limited liability company 0451.722.268 Koninklijkelaan 1A , 2600 Berchem (Antwerp), Belgium Position: External accountant Represented by: 1. Beerts Bert Koninklijkelaan 1A , 2600 Berchem (Antwerp), Belgium	2211004N94	B

* Delete where not applicable.
** Optional.

ANNUAL ACCOUNTS

BALANCE SHEET AFTER ALLOCATION OF PROFITS

	Note	Codes	Financial year	Previous financial year
ASSETS				
INCORPORATION COSTS		20		
FIXED ASSETS		21/28	1,370,925.27	1,663,169.45
Intangible fixed assets	6.1.1	21		
Tangible fixed assets	6.1.2	22/27	1,370,925.27	1,663,169.45
Land and buildings		22		
Installations, machinery and equipment		23	1,315,818.58	1,591,549.44
Furniture and vehicles		24	55,106.69	71,620.01
Leasing and similar rights		25		
Other tangible fixed assets		26		
Assets under construction and prepayments		27		
Financial fixed assets	6.1.3	28		
CURRENT ASSETS		29/58	482,470.55	624,597.49
Receivables after more than one year		29		
Trade receivables		290		
Other receivables		291		
Stocks and orders in progress		3		
Stocks		30/36		
Orders in progress		37		
Receivables within one year		40/41	374,298.54	305,533.42
Trade receivables		40	340,865.75	305,512.85
Other receivables		41	33,432.79	20.57
Cash investments		50/53		
Liquid assets		54/58	97,084.50	307,828.16
Accruals		490/1	11,087.51	11,235.91
TOTAL ASSETS		20/58	1,853,395.82	2,287,766.94

	Note	Codes	Financial year	Previous financial year
LIABILITIES				
EQUITY CAPITAL		10/15	1,478,716.85	608,014.01
Capital		10	2,100,000.00	2,050,000.00
Subscribed capital		100	2,100,000.00	2,050,000.00
Uncalled capital [4]		101		
Issue premiums		11		
Revaluation surpluses		12		
Reserves		13		
Statutory reserve		130		
Unavailable reserves		131		
For own shares		1310		
Other		1311		
Tax-free reserves		132		
Available reserves		133		
Profit (loss) carried forward (+)/(-)		14	-621,283.15	-1,441,985.99
Capital subsidies		15		
Advances to partners on the distribution of the net assets [5]		19		
PROVISIONS AND DEFERRED PAYMENTS		16		
Provisions for risks and costs		160/5		
Pensions and similar obligations		160		
Fiscal charges		161		
Major repairs and maintenance		162		
Environmental obligations		163		
Other risks and costs		164/5		
Deferred taxes		168		

[4] Amount to be deducted from the subscribed capital.

[5] Amount to be deducted from the components of equity capital.

	Note	Codes	Financial year	Previous financial year
DEBTS		17/49	374,678.97	1,679,752.93
Debts at more than one year	6.3	17		
Financial debts		170/4		
Credit institutions, leasing debts and similar debts		172/3		
Other loans		174/0		
Trading debts		175		
Advance payments received on orders		176		
Other debts		178/9		
Debts due in one year or less	6.3	42/48	374,678.97	1,675,548.03
Debts at more than one year that become due within the year		42		
Financial debts		43		1,308,234.80
Credit institutions		430/8		
Other loans		439		1,308,234.80
Trading debts		44	319,894.03	313,366.06
Suppliers		440/4	319,894.03	313,366.06
Bills of exchange to be paid		441		
Advance payments received on orders		46		
Debts relating to taxes, remuneration and social charges		45	54,784.94	53,947.17
Taxes		450/3		2,541.58
Remuneration and social charges		454/9	54,784.94	51,405.59
Other debts		47/48		
Accruals		492/3		4,204.90
TOTAL LIABILITIES		10/49	1,853,395.82	2,287,766.94

PROFIT-AND-LOSS ACCOUNT

	Note	Codes	Financial year	Previous financial year
Operating revenue and company expenses				
Gross margin ....(+)/(-)		9900	409,280.65	1,222,131.97
Of which: non-recurrent operating revenue		76A		
Turnover*		70		
Goods for resale, raw materials and additives, services and miscellaneous goods*		60/61		
Remuneration, social charges and pensions ....(+)/(-)	6.4	62	509,766.08	582,458.31
Depreciation and writedowns on incorporation costs, intangible and tangible fixed assets		630	328,295.57	341,275.00
Value reductions on stocks, orders in progress and on trading receivables: additions (reversals) ....(+)/(-)		631/4		
Provisions for risks and costs: additions (expenditure and reversals) ....(+)/(-)		635/8		
Other operating costs		640/8	9,697.22	4,679.88
Operating costs activated as restructuring charges .... (-)		649		
Non-recurrent operating costs		66A		
Operating profit (Operating loss)..............................(+)/(-)		9901	-438,478.22	293,718.78
Financial revenue....	6.4	75/76B	3,045.64	1,911.51
Recurrent financial revenue		75	3,045.64	1,911.51
Of which: capital and interest subsidies		753		
Non-recurrent financial revenue..........................		76B		
Financial costs	6.4	65/66B	25,539.55	58,968.09
Recurrent financial costs		65	25,539.55	58,968.09
Non-recurrent financial costs		66B		
Profit (Loss) for the financial year before tax .....(+)/(-)		9903	-460,972.13	236,662.20
Withdrawal to deferred taxes		780		
Transfer to deferred taxes		680		
Tax on the result ....(+)/(-)		67/77	325.03	
Profit (Loss) for the financial year ....(+)/(-)		9904	-461,297.16	236,662.20
Withdrawal to the tax-free reserves		789		
Transfer to tax-free reserves		689		
Profit (loss) for the financial year to be allocated ......(+)/(-)		9905	-461,297.16	236,662.20

~~* Optional.~~

PROCESSING OF THE RESULT

	Codes	Financial year	Previous financial year
Profit (loss) to be allocated ....(+)/(-)	9906	-1,903,283.15	-1,441,985.99
Profit (loss) of the financial year to be allocated ....(+)/(-)	(9905)	-461,297.16	236,662.20
Profit (loss) carried forward from the previous financial year ....(+)/(-)	14P	-1,441,985.99	-1,678,648.19
Withdrawal to equity capital	791/2	1,282,000.00	
Addition to equity capital	691/2		
to the capital and to the issue premiums	691		
to the statutory reserve	6920		
to the other reserves	6921		
Profit (loss) to be transferred ....(+)/(-)	(14)	-621,283.15	-1,441,985.99
Contribution from the partners in the loss	794		
Profit to be paid out	694/7		
Payment of the capital	694		
Directors or business managers	695		
Employees	696		
Other entitled parties	697		

NOTES

STATUS OF THE FIXED ASSETS

	Codes	Financial year	Previous financial year
INTANGIBLE FIXED ASSETS			
Purchase value at the end of the financial year	8059P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Purchases, including the fixed assets produced.......	8029		
Transfers and retirements	8039		
Transferred from one heading to another ....(+)/(-)	8049		
Purchase value at the end of the financial year................................	8059		
Depreciation and writedowns at the end of the financial year.	8129P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Recorded	8079		
Withdrawn	8089		
Acquired from third parties	8099		
Withdrawn after transfers and retirements	8109		
Transferred from one heading to another.................................(+)/(-)	8119		
Depreciation and writedowns at the end of the financial year.	8129		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR.....................	(21)		

	Codes	Financial year	Previous financial year
TANGIBLE FIXED ASSETS			
Purchase value at the end of the financial year......................................	8199P	xxxxxxxxxxxxxxx	2,398,681.45
Changes during the financial year			
Purchases, including the fixed assets produced.......	8169	36,051.39	
Transfers and retirements	8179		
Transferred from one heading to another……..................................(+)/(-)	8189		
Purchase value at the end of the financial year......................................	8199	2,434,732.84	
Gains at the end of the financial year	8259P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Recorded	8219		
Acquired from third parties..	8229		
Withdrawn after transfers and retirements.........................	8239		
Transferred from one heading to another.................................(+)/(-)	8249		
Gains at the end of the financial year	8259		
Depreciation and writedowns at the end of the financial year	8329P	xxxxxxxxxxxxxxx	735,512.00
Changes during the financial year			
Recorded	8279	328,295.57	
Withdrawn	8289		
Acquired from third parties..	8299		
Withdrawn after transfers and retirements.........................	8309		
Transferred from one heading to another................................(+)/(-)	8319		
Depreciation and writedowns at the end of the financial year....	8329	1,063,807.57	
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR........................	(22/27)	1,370,925.27	

	Codes	Financial year	Previous financial year
FINANCIAL FIXED ASSETS			
Purchase value at the end of the financial year......................................	8395P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Purchases	8365		
Transfers and retirements	8375		
Transfers from one heading to another...............................(+)/(-)	8385		
Other changes ....(+)/(-)	8386		
Purchase value at the end of the financial year......................................	8395		
Gains at the end of the financial year	8455P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Recorded	8415		
Acquired from third parties...	8425		
Withdrawn...	8435		
Transfers from one heading to another...................................(+)/(-)	8445		
Gains at the end of the financial year	8455		
Reductions in value at the end of the financial year	8525P	xxxxxxxxxxxxxxx	
Changes during the financial year			
Recorded	8475		
Withdrawn	8485		
Acquired from third parties	8495		
Withdrawn after transfers and retirements	8505		
Transfers from one heading to another...................................(+)/(-)	8515		
Reductions in value at the end of the financial year	8525		
Uncalled amounts at the end of the financial year	8555P	xxxxxxxxxxxxxxx	
Changes during the financial year...(+)/(-)	8545		
Uncalled amounts at the end of the financial year	8555		
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	(28)		

STATUS OF THE CAPITAL

	Codes	Financial year
Own shares		
Retained by the company itself		
Capital amount	8721	
Number of shares	8722	
Retained by its subsidiaries		
Capital amount	8731	
Number of shares	8732	

STATUS OF DEBTS

	Codes	Financial year
BREAKDOWN OF DEBTS WITH AN ORIGINAL TERMS GREATER THAN ONE YEAR, BY REMAINING TERM		
Total debts at more than one year that fall due within the year	(42)	
Total debts with a remaining terms of more than one year, but 5 years at most	8912	
Total debts with a remaining term of more than 5 years	8913	
GUARANTEED DEBTS *(included in items 17 and 42/48 of the assets)*		
Debts guaranteed by Belgian government institutions		
Financial debts	8921	
Credit institutions, leasing debts and similar debts	891	
Other loans	901	
Trading debts	8981	
Suppliers	8991	
Bills of exchange payable	9001	
Advance payments received on orders	9011	
Debts relating to taxes, remuneration and social charges	9021	
Other debts	9051	
Total debts guaranteed by Belgian government institutions	9061	
Debts guaranteed by business sureties lodged or irrevocably pledged on the company's assets		
Financial debts	8922	
Credit institutions, leasing debts and similar debts	892	
Other loans	902	
Trading debts	8982	
Suppliers	8992	
Bills of exchange payable	9002	
Advance payments received on orders	9012	
Debts relating to taxes, remuneration and social charges	9022	
Taxes	9032	
Remuneration and social charges	9042	
Other debts	9052	
Total debts guaranteed by business sureties lodged or irrevocably pledged on the company's assets	9062	

RESULTS

	Codes	Financial year	Previous financial year
STAFF AND STAFFING COSTS			
Employees for whom the company has submitted a DIMONA declaration or who are entered in the general staff register			
Average headcount calculated in full-time equivalents	9087	6.6	7.3
REVENUE AND COSTS OF EXCEPTIONAL SCOPE OR EXCEPTIONAL EXTENT OF PREVENTION			
Non-recurrent revenue	76		
Non-recurrent operating revenue	(76A)		
Non-recurrent financial revenue	(76B)		
Non-recurrent costs	66		
Non-recurrent operating costs	(66A)		
Non-recurrent financial costs	(66B)		
FINANCIAL RESULTS			
Activated interest	6503		

RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

	Codes	Financial year
SURETIES LODGED OR IRREVOCABLY PLEDGED BY THE COMPANY TO GUARANTEE THE DEBTS OR OBLIGATIONS OF THIRD PARTIES	9149	
Of which		
Trading securities in circulation endorsed by the company	9150	
BUSINESS SURETIES		
Business sureties lodged or irrevocably pledged by the company on its own assets to guarantee the company's debts and obligations		
Mortgages		
Book value of the encumbered assets	9161	
Amount subscribed	9171	
Pledge on goodwill – Amount subscribed	9181	
Pledge on other assets – Book value of the assets pledged	9191	
Sureties on assets yet to be acquired by the company – Amount of the assets in question	9201	
Business sureties lodged or irrevocably pledged by the company on its own assets to guarantee the debts and obligations of third parties		
Mortgages		
Book value of the encumbered assets	9162	
Amount subscribed	9172	
Pledge on goodwill – Amount subscribed	9182	
Pledge on other assets – Book value of the assets pledged	9192	
Sureties on assets yet to be acquired by the company – Amount of the assets in question	9202	

	Financial year
AMOUNT, NATURE AND FORM OF MAJOR DISPUTES PENDING AND OTHER IMPORTANT OBLIGATIONS	

SCHEME REGARDING THE SUPPLEMENTARY RETIREMENT OR SURVIVOR'S PENSION ON BEHALF OF STAFF OR MANAGEMENT

Brief description

The company has pension plans of the fixed contribution type, which are financed through the group insurance plans. These plans are subject to a minimum return guarantee by the employer, as defined by the Act of 28th April 2003, amended by the Act of 18th December 2015. As of 31st December 2017, the application of the minimum return guarantee had not resulted in a shortfall of the vested obligations in relation to the reserves built up for these plans, based on an analysis of the difference between the statutory minimum return and the actual return guaranteed by the insurance companies. As a result, no provision has been set aside in the annual accounts at 31st December 2017.

Measures taken to cover the associated costs

RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

	Code	Financial year
PENSIONS BORNE BY THE COMPANY ITSELF		
Estimated amount of the obligations arising from work already carried out..............................	9220	
Base and manner in which this amount is calculated		

	Financial year
NATURE AND BUSINESS PURPOSE OF OFF-BALANCE SHEET SCHEMES	
Provided the risks or benefits associated with these schemes are of some significance and insofar as the disclosure of such risks or benefits is necessary for assessing the company's financial position	

	Financial year
OTHER RIGHTS AND OBLIGATIONS IN THE BALANCE SHEET (including those for which figures cannot be given)	

RELATIONS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES, DIRECTORS, BUSINESS MANAGERS AND AUDITOR(S)

	Codes	Financial year
AFFILIATED OR ASSOCIATED COMPANIES		
Guarantees granted in their favour	9294	
Other significant obligations entered into in their favour	9295	
DIRECTORS AND BUSINESS MANAGERS, NATURAL PERSONS OR LEGAL ENTITIES WHO/WHICH CONTROL THE COMPANY DIRECTLY OR INDIRECTLY WITHOUT BEING AFFILIATED COMPANIES, OR OTHER COMPANIES THAT ARE CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PERSONS OR ENTITIES		
Outstanding claims on these persons or entities	9500	
Main conditions regarding the claims, interest rate, term, any amounts repaid or written off or any amounts waived		
Guarantees granted in their favour	9501	
Other significant obligations entered into in their favour	9502	

	Financial year
THE AUDITOR(S) AND PERSONS WITH WHICH HE/SHE/IT IS ASSOCIATED	
The auditor’s fee for the capital increase is	3,500.00
The auditor’s fee for the audit is	7,380.00

	Financial year
TRANSACTIONS OUTSIDE NORMAL MARKET CONDITIONS ENTERED INTO DIRECTLY OR INDIRECTLY	
With persons who have a holding in the company	
Nature of the transaction	
The Board of Directors states that there are no objective or legal criteria that clearly describe what is	0.01
meant by transactions outside normal market conditions, as set out in the Royal Decree of 10th August	0.01
2009. As there are no such legal criteria that enable an inventory of transactions with associated	0.01
parties outside normal market conditions to be drawn up, no information could be included in the VKT	0.01
6.6 statement.	0.01
With enterprises in which the company itself has a holding	
Nature of the transaction	
The Board of Directors states that there are no objective or legal criteria that clearly describe what is	0.01
meant by transactions outside normal market conditions, as set out in the Royal Decree of 10th August	0.01
2009. As there are no such legal criteria that enable an inventory of transactions with associated	0.01
parties outside normal market conditions to be drawn up, no information could be included in the VKT	0.01
6.6 statement.	0.01
With members of the company’s managerial, supervisory or governance bodies	
Nature of the transaction	
The Board of Directors states that there are no objective or legal criteria that clearly describe what is	0.01

RELATIONS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES, DIRECTORS, BUSINESS MANAGERS AND AUDITOR(S)

	Financial year
TRANSACTIONS OUTSIDE NORMAL MARKET CONDITIONS ENTERED INTO DIRECTLY OR INDIRECTLY	
With members of the company's managerial, supervisory or governance bodies	
Nature of the transaction	
meant by transactions outside normal market conditions, as set out in the Royal Decree of 10th	0.01
August 2009. As there are no such legal criteria that enable an inventory of transactions with	0.01
associated parties outside normal market conditions to be drawn up, no information could be	0.01
included in the VKT 6.6 statement.	0.01

STATEMENT REGARDING THE CONSOLIDATED ANNUAL ACCOUNTS

INFORMATION THAT MUST BE PROVIDED BY THE COMPANY IF IT IS A SUBSIDIARY OR JOINT SUBSIDIARY

Name, full address of the registered office and, if it is a company incorporated under Belgian law, the company number of the parent company(ies) and an indication as to whether these parent company(ies) draw up and publish consolidated annual accounts that include its/their consolidated annual accounts*:

Falck Holding A/S

Polititorvet

1780 Copenhagen V, Denmark

The parent company draws up and publishes consolidated annual accounts for the main part.

If the parent company(ies) is/are incorporated under foreign law, state the location where these consolidated annual accounts are available*:

Falck Holding A/S

Poltitorvet

1780 Copenhagen V, Denmark

* If the company's annual accounts are consolidated on various levels, this information will be provided for the smallest group of companies of which the company is a subsidiary and for which consolidated annual accounts are drawn up and published.

VALUATION RULES

1. Principle

The valuation rules are established in accordance with the provisions of the Royal Decree of 30th January 2001 to implement the Companies' Code.

For the purpose of providing a true picture, the following exceptional cases differ from the valuation rules set out by this Decree:

These differences are justified as follows:

These differences affect the company's assets, financial position and pre-tax result as follows:

If the valuation rules have been (changed) (not changed) with regard to the previous financial year in terms of wording or application, then any change relates to:

and has a (positive) (negative) effect on the result for the financial year before tax in the amount of EUR.

If the profit-and-loss account (is) (is not) affected significantly by revenues and costs that need to be allocated to a previous financial year, then this will relate to:

The figures for the financial year are not comparable with the figures for the previous financial year for the following reason:

(In order for them to be comparable, the figures for the previous financial year have been adjusted on the following points)
(In order for the annual accounts of both years to be compared, the following elements need to be taken into account):

In the absence of objective assessment criteria, the valuation of foreseeable risks, possible losses and depreciations dealt with below unavoidably becomes random:

Other information required to enable the annual accounts to present a true picture of the company's assets, financial position and result:

2. Fixed assets

Incorporation costs:

The incorporation costs are charged immediately, except for the following costs, which are capitalised:

Restructuring costs:

If the restructuring costs were ~~(capitalised)~~ (not capitalised) during the course of the financial year, this is justified as follows:

Intangible fixed assets:

The amount of intangible fixed assets includes costs of EUR for research and development. The writedown term for these costs and for goodwill is ~~(more)~~ (not more) than 5 years; if it is more than 5 years, this term is justified as follows:

Tangible fixed assets:

If during the course of the financial year, tangible fixed assets (were) (were not) revalued, this is justified as follows:

VALUATION RULES

Writedowns recorded during the financial year:

Assets	Method L *(linear)* D *(degressive)* A *(other)*	Base NG *(not revalued)* G *(revalued)*	Writedown percentages	
			Principal Min. - Max.	Additional costs Min. - Max.
1. Incorporation costs				
2. Intangible fixed assets				
intangible fixed assets	L	NG	10.00 – 20.00	10.00 – 20.00
3. Industrial, administrative or commercial buildings*				
Buildings	L	NG	3.00 – 4.00	3.00 – 4.00
4. Installations, machinery and equipment*				
Installations	L	NG	10.00 – 33.33	10.00 – 33.33
Machinery	L	NG	10.00 – 33.33	10.00 – 33.33
Equipment	L	NG	10.00 – 33.33	10.00 – 33.33
5. Vehicles*				
Vehicles	L	NG	20.00 – 20.00	20.00 – 20.00
6. Office equipment and furniture*				
Furniture	L	NG	10.00 – 33.33	10.00 – 33.33
7. Other tangible fixed assets				

* Including assets held in leasing; where applicable, these are stated on a separate line

Surplus of applied, tax-deductible, accelerated depreciation compared with economically justified depreciation:

- amount for the financial year: EUR.
- combined amount for the fixed assets acquired from the financial year beginning after 31st December 1983: EUR.

Financial fixed assets:

If during the course of the financial year holdings ~~(were)~~ (were not) revalued, this revaluation is justified as follows

3. Current assets

Stocks:

Stocks are valued at the **acquisition value** calculated using the *(state)* method of average weighted prices, Fifo, Lifo, individualisation of the price of each component or at the **lower market value:**

1. Raw materials and additives:

2. Goods in progress - finished product:

3. Trading goods:

4. Immovable property intended for sale:

Products:

- The manufacturing price of the products (does not include) indirect production costs. (includes)
- The manufacturing price of the products for which production covers more than one year, ((includes) (does not include) financial costs associated with the capital borrowed to financial their production.

At the end of the financial year, the market value of total stocks was approximately % more than their book value.

(This information is only required if the difference is significant).

VALUATION RULES

Orders in progress:

Orders in progress are valued (at their manufacturing price)

(at their manufacturing price, plus part of the profit, depending on the progress of the works).

4. Liabilities

Debts:

If the liabilities ~~(include~~) (do not include) long-term debts, at zero interest rate or an abnormally low interest rate, then (a) (no) discount is applied to these debts that is capitalised.

Foreign currency:

The conversion into EUR of assets, debts and commitments in foreign currency takes place on the following basis:

Assets and commitments in place at the end of the financial year, expressed in foreign currency, which are entered at various exchange rates, are valued at the indicative rates published by the European Central Bank on the date the financial year ends. However, the company may use an average of the rates for the last month of the financial year if this creates a more dependable picture.

The indicative rate used for each currency is the cash rate, even for assets and commitments that only come due later. The revaluation at the indicative rate applies to all monetary items, except those that are the subject of specific hedging.

The results from the conversion of foreign currency are processed as follows in the annual accounts:

If the accruals for a specific currency:
a) only contain negative conversion results that correspond with latent losses, these are charged;
b) only contain positive conversion results that correspond with latent gains, these are included in the result;
c) contain negative and positive conversion results, these are dealt with as follows:
i) if the overall end result is negative, this is charged;
ii) if the overall end result is positive, this is included in the result.

If the conversion result is positive for some currencies and negative for others, no offsetting is applied. All conversion differences are included in the result.

Leasing agreements:

For non-activated user rights from leasing agreements *(article 102, §1 of the Royal Decree of 30th January 2001 implementing the Companies' Code),* payments and rental amounts for leasing immovable property during the financial year was: EUR.

OTHER INFORMATION TO BE STATED IN THE NOTES

The annual accounts for the past financial year show a loss for the financial year of EUR 461,297.16 € together with the loss from the previous financial year of EUR 159,985.99 discharged by a reduction in capital.
As a consequence, article 96, §1, 6° of the Companies' Code applies and maintenance of the valuation rules must be justified in the assumption of continuity.
On 29th December 2017 a capital increase was implemented for an amount of 1,332,000 EUR through the introduction of a claim. The losses of 1,282,000 EUR were discharged on 29th December 2017 by way of a reduction in capital.

Management is of the opinion that the continuity of the Company is not in danger and hence has decided to retain the valuation rules on the assumption of continuity. This is for the following reasons:
- The losses were caused by exceptional circumstances, namely the fact that the Company is still in the start-up phase.
- The Company benefits from the support of a group with powerful capital backing to which it belongs. It can count on support that will enable it to comply with its payment obligations when these payments fall due.
- The aim is to achieve a sale according to the budget set for 2018.
- The Company will take measures to adjust and streamline its overheads.

OTHER DOCUMENTS TO BE LODGED IN ACCORDANCE WITH THE COMPANIES' CODE

INFORMATION ABOUT SHAREHOLDINGS

SHAREHOLDINGS AND CORPORATE RIGHTS IN OTHER COMPANIES

Below is a list of companies in which the company has a shareholding (stated in item 28 of the assets), as well as the other companies in which the company owns corporate rights (stated in items 28 and 50/53 of the assets) up to a minimum of 10% of the issued capital.

NAME, full address of the REGISTERED OFFICE and, if it is a company incorporated under Belgian law, the COMPANY NUMBER	Corporate rights held				Details taken from the most recent annual accounts available			
	Nature	direct		subsidiaries	Annual accounts at	Currency code	Equity capital	Net result
		Number	%	%			(+) or (-) *(in units)*	

LIST OF COMPANIES FOR WHICH THE COMPANY HAS UNLIMITED LIABILITY IN ITS CAPACITY AS UNLIMITED LIABLE PARTNER OR MEMBER

The annual accounts of each of the companies for which the company has unlimited liability will be attached to the annual accounts submitted and published with them, unless there is a reason stated in the second column as to why this is not the case; this statement is made by reference to the applicable code (A, B or D) which is defined below.

The annual accounts of the company stated:

A. are published by this company through lodgement with the National Bank of Belgium;

B. are actually published by this company in another member state of the European Union, in accordance with article 3 of directive 2009/101/EC;

D. relate to a partnership, a temporary trading company or a silent trading company.

NAME, full address of the REGISTERED OFFICE, LEGAL FORM and, if it is a company incorporated under Belgian law, the COMPANY NUMBER	Any code

THE COMPANY’S SHAREHOLDING STRUCTURE ON THE DATE OF THE YEAR-END

as seen from the notifications received by the company in accordance with the Companies’ Code, article 631 §2 last paragraph and article 632 §2 last paragraph; the Act of 2nd May 2007 relative to the disclosure of major shareholdings, article 14 paragraph four; and the Royal Decree of 21st August 2008 setting out more detailed rules regarding certain multilateral trading facilities, article 5.

NAME of the persons who own corporate rights in the company, stating the ADDRESS (of the registered office if it is a legal entity) and the COMPANY NUMBER if it is a company under Belgian law	Corporate rights held			
	Nature	Number of voting rights		%
		Linked to securities	Not linked to securities	
Falck Safety Services Holding BO Uglviggardsvej 3 6705 Esbjerg Denmark		0	0	0.00
Falck Global Safety B.V. Beerweg 101 3199LM Rotterdam Netherlands		0	0	0.00

OTHER INFORMATION TO PROVIDE PURSUANT TO ARTICLE 100 OF THE COMPANIES' CODE

	Codes	Financial year
DEBTS RELATED TO TAXES, REMUNERATION AND SOCIAL CHARGES *(items 45 and 178/9 of the liabilities)*		
Tax debts due	9072	
Debts owed to the National Social Security Office	9076	
AMOUNT OF THE CAPITAL AND INTEREST SUBSIDIES ALLOCATED OR CHARGED BY THE GOVERNMENT OR BY GOVERNMENT INSTITUTIONS	9078	

SOCIAL BALANCE SHEET

Numbers of the joint representation committees acting for the company:

EMPLOYEES FOR WHOM THE COMPANY HAS LODGED A DIMONA DECLARATION OR WHO ARE ENTERED IN THE GENERAL STAFF REGISTER

During the financial year and the previous financial year	Codes	1. Full-time *(financial year)*	2. Part-time *(financial year)*	3. Total (T) or total in Full-Time Equivalents (FTE) *(financial year)*	3P. Total (T) or total in Full-Time Equivalents (FTE) *(previous financial year)*
Average number of employees	100	6.0	0.8	6.6 (FTE)	7.3 (FTE)
Actual number of hours worked	101	9,880	1,008	10,888 (T)	12,632 (T)
Staffing costs	102	509,766.08		509,766.08 (T)	582,458.31 (T)

On the closing date of the financial year	Codes	1. Full-time	2. Part-time	3. Total in Full-Time Equivalents
Number of employees	105	6	1	6.8
According to the nature of the employment agreement				
Open-ended agreement	110	6	1	6.8
Fixed-term agreement	111			
Agreement for a clearly described assignment	112			
Replacement agreement	113			
According to gender and level of education				
Men	120	3		3.0
primary education	1200			
secondary education	1201	1		1.0
higher, non-university education	1202	1		1.0
university education	1203	1		1.0
Women	121	3	1	3.8
primary education	1210			
secondary education	1211			
higher, non-university education	1212	3	1	3.8
university education	1213			
According to category of occupation				
Management staff	130			
White-collar employees	134	6	1	6.8
Blue-collar workers	132			
Other	133			

TABLE OF STAFF TURNOVER DURING THE FINANCIAL YEAR

	Codes	1. Full-time	2. Part-time	3. Total in Full-Time Equivalents
ARRIVALS				
Number of employees for whom the company lodged a DIMONA declaration during the financial year or who were entered in the general staff register during the financial year	205	2	1	2.8
DEPARTURES				
Number of employees with a date indicated in the DIMONA declaration or a date entered in the general staff register on which their agreement came to an end during the financial year	305	2	1	2.8

INFORMATION ABOUT THE TRAINING PROVIDED FOR EMPLOYEES DURING THE FINANCIAL YEAR

	Codes	Men	Codes	Women
Total of the formal continuing vocational training initiatives paid for by the employer				
Number of employees involved	5801	3	5811	3
Number of training hours attended	5802	28	5812	16
Net cost for the company	5803	2,829.54	5813	503.36
of which gross costs associated directly with the training	58031	2,731.19	58131	430.25
of which amounts paid and payments made to collective funds	58032	98.35	58132	73.11
of which allowances received (deducted)	58033		58133	
Total of the less formal and informal continuing vocational training initiatives paid for by the employer				
Number of employees involved	5821		5831	
Number of training hours attended	5822		5832	
Net cost for the company	5823		5833	
Total of the initial vocational training initiatives paid for by the employer				
Number of employees involved	5841		5851	
Number of training hours attended	5842		5852	
Net cost for the company	5843		5853	

Falck Safety Services Belgium BVBA

Report from the auditor to the general meeting about the financial year ending on 31st December 2017 – Annual accounts

Report from the auditor to the general meeting of Falck Safety Services Belgium BVBA about the financial year ending on 31st December 2017 – Annual accounts

We hereby present our auditor's report in the context of the statutory audit of the annual financial statements of Falck Safety Services Belgium BVBA (the "company"). It contains our report about the annual accounts, as well as the report regarding the other statutory, regulatory and standards-based requirements. This report constitutes a whole and is indivisible.

We were appointed in our capacity of auditors by the general meeting held on 11th May 2017, pursuant to the proposal made by the administrative body. Our mandate expires on the date of the general meeting that deliberates on the annual financial statements ending on 31st December 2019. We have conducted the statutory audit of the annual accounts of Falck Safety Services Belgium BVBA for five successive financial years.

Report about the annual accounts

Opinion without reservation

We have conducted the statutory audit of the company's annual accounts, which include the balance sheet as of 31st December 2017, as well as the profit-and-loss account for the financial year ending on that date and the notes, with a balance sheet total of 1 853 (000) EUR and for which the profit-and-loss account ends with a profit for the financial year of 461 (000) EUR.

In our opinion, the annual financial statements provide a faithful picture of the assets and financial position of the company on 31st December 2017, as well as of its results across the financial year ending on that date, in accordance with the accounting reference system that applies in Belgium.

Basis for the opinion without reservation

We conducted our audit in line with the international standards on auditing (ISAs). Our responsibilities under these standards are set out in more detail in the section headed "Responsibilities of the auditor for auditing the annual accounts" of our report. We have complied with all ethical requirements that are relevant for auditing annual accounts in Belgium, including those that relate to impartiality.

We received the clarifications and information required for our audit from the administrative body and from the company's officially appointed representatives.

We are of the opinion that the audit information received by us is sufficient and appropriate as the basis for our assessment and opinion.

Responsibilities of the administrative body

The administrative body is responsible for drawing up the annual accounts, which provide a faithful picture in accordance with the accounting reference system that applies in Belgium, as well as for the internal control that the governing body deems necessary for drawing up the annual accounts that contain no discrepancies of material importance that are the result of fraud or errors.

In drawing up the annual accounts, the governing body is responsible for assessing the company's ability to continue trading, as well as the explanation, if applicable, of matters that relate to continuity and the use of the assumption of continuity, except if the governing body has the intention to liquidate the company or to terminate operating activities or if it does not have any realistic alternative other than to do so.

Responsibilities of the auditor for auditing the annual accounts

Our objective is to obtain a reasonable level of certainty regarding the question of whether the annual accounts as a whole contain any discrepancies of material importance that are the result of fraud or errors and the issue of an auditor's report that includes our opinion. A reasonable level of certainty is a high level of certainty, although it is no guarantee that an audit conducted in accordance with ISAs will always uncover discrepancies of material importance should such discrepancies exist. Discrepancies may occur as the result of fraud or errors and are considered to be of material importance if it can be reasonably expected that they, individually or collectively, may influence economic decisions taken by users based on the annual accounts.

In conducting our audit, we comply with the statutory, regulatory and standards-based framework that applies to the auditing of annual accounts in Belgium.

As part of an audit conducted in accordance with ISAs, we apply professional assessments and opinions and maintain a professional and critical attitude throughout the audit. We also carried out the following tasks:

- the identification and assessment of the risks that the annual accounts contain discrepancies of material importance that are the result of fraud or errors, the definition and implementation of auditing work that anticipates these risks, and the process of obtaining audit information that is sufficient and appropriate to be used for the basis of our assessment and opinion. The risk of not detecting discrepancies of material importance is greater if a discrepancy is the result of fraud or is the result of errors. This is because in the event of fraud, it may be a question of conspiracy, falsehood in the records, the deliberate omission of recording transactions, the deliberate incorrect presentation of business or the breach of internal controls;
- obtaining an insight into the internal controls that are relevant for the audit, for the purpose of putting audit works in place that are suitable in the given circumstances, but which are not focused on providing an assessment of the effectiveness of the internal control and management of the company;

- evaluating the suitability of the bases used for financial reporting and assessing the reasonable nature of the estimated made by the administrative body and the explanations relating thereto;
- reaching the conclusion that the assumption of continuity used by the administrative body is acceptable, and concluding, based on the audit information obtained, whether there is any uncertainty of material importance with regard to the events or circumstances that might give rise to significant doubt about the company's ability to maintain its continuity. If we conclude that there is any uncertainty of material importance, we are required to draw attention to this in our auditor's report in the relevant notes in the annual accounts or, if these notes and explanations are inadequate, to adjust our opinion accordingly. Our conclusions are based on the audit information obtained up until the date of our auditor's report. However, events or circumstances in the future may result in the company being unable to maintain its continuity;
- evaluating the general presentation, structure and contents of the annual accounts, as well as the question of whether the annual accounts reflect the underlying transactions and events in a manner that results in a faithful picture being given.

We communicate with the persons tasked with governance about the planned scope and timing of the audit and about any major audit findings, including any significant shortcomings in internal control processes that we identify during our audit.

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Report regarding the other statutory, regulatory and standards-based requirements

Responsibilities of the administrative body

The administrative body is responsible for drawing up the annual report and its contents. It is also responsible for complying with the statutory and administrative law requirements that apply to keeping accounts, as well as complying with the Companies' Code and the company's articles of association.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional Belgian standard (reviewed in 2018) included in the international standards of auditing (ISAs) that apply, it is our responsibility, taking account of all the insights of material importance, to verify the annual report and compliance of the obligations stated in the Companies' Code and the articles of association, as well as to issue a report about these matters.

Aspects regarding the annual report

After carrying out specific work on the annual report, we are of the opinion that this annual report corresponds with the annual report for the same financial year and that it has been drawn up in accordance with articles 95 and 96 of the Companies' Code.

In the context of our audit of the annual financial statements, we are also responsible for considering, in particular based on the knowledge obtained during the audit, whether the annual report contains any discrepancies of material importance, either information that is stated incorrectly or that is misleading in any other way. In the light of the work carried out by us, we do not have any discrepancies of material importance to report. We do not express any degree of certainty about the annual report.

Statement regarding the company balance sheet

The company balance sheet to the lodged with the National Bank of Belgium in accordance with article 100, § 1, 6º/2 of the Companies' Code, contains both in terms of form and content all of the information prescribed by the Companies' Code. It does not contain any inconsistencies of material importance with regard to the information obtained by us as part of our assignment.

Statement regarding impartiality

- Our company auditing office and our network have not conducted any assignments that are incompatible with the statutory audit of the annual accounts and during the course of our mandate, our company auditing office remained impartial vis-à-vis the company.
- The fees for the additional assignments that are compatible with the statutory audit of the annual accounts stated in article 134 of the Companies' Code have been stated correctly and are broken down in the notes to the annual accounts.

Other statements

- Without prejudice to formal aspects of subsidiary importance, the accounting was conducted in accordance with the statutory and administrative law requirements that apply in Belgium.
- The processing of the results that will be presented to the annual meeting corresponds with legal and statutory provisions.
- We have no transactions or decisions to report to you that have been conducted or made in breach of the articles of association of Companies' Code.

Antwerp, 14th May 2018

(signature)

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA
Represented by Jurgen Kesselaers

RelyOn Nutec USA Holdings, LLC.

Registration number 4515417

Special Purpose Financial Statements for 2018 and 2017

Contents

Company information

The Company	RelyOn Nutec USA Holdings, LLC. 209 Clendenning Road 70363, Houma, LA United States	
	Registration Number:	4515417
	Financial year:	1 January – 31 December
	Jurisdiction of reg. office:	Louisiana, United States of America
Ownership	The Company is fully owned by:	
	RelyOn Nutec Holding A/S Registration Number 19951383 Kalvebod Brygge 45, 3rd floor DK-1560 Copenhagen Denmark	
Board of Directors	Torben Harring Søren Strøm	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup Denmark	

Management's Statement on the Special Purpose Financial Statements

The board of directors has today considered and adopted the Special Purpose Financial Statements of RelyOn Nutec USA Holdings, LLC. for the financial year 1 January - 31 December 2018 and 1 January – 31 December 2017, respectively.

The Special Purpose Financial Statements are prepared in accordance with the accounting policies set out in note 1. We consider the accounting policies applied appropriate and the accounting estimates reasonable.

In our opinion, the Special Purpose Financial Statements have in all material respects been prepared in accordance with the accounting policies set out in note 1 and give a fair presentation of the financial position at 31 December 2018 and 31 December 2017, respectively, of the Company and of the results of the Company's operations for 2018 and 2017, respectively.

No events have occurred after 31 December 2018 that have a material effect of the Company's financial position at 31 December 2018.

Houma, 6 September 2019

Board of directors

Torben Harring

Søren Strøm

Independent Auditor's Report

To the shareholders of RelyOn Nutec USA Holdings, LLC.

Opinion

In our opinion, the Special Purpose Financial Statements for 2018 and 2017 of RelyOn Nutec USA Holdings, LLC. (the Company) are prepared, in all material respects, in accordance with the accounting policies set out in note 1.

We have audited

The Special Purpose Financial Statements of the Company comprise:

- income statement for the financial year 2018 and 2017, respectively,
- balance sheet as of 31 December 2018 and 31 December 2017, respectively,
- statement of changes in equity for 2018 and 2017, respectively, and
- notes to the Special Purpose Financial Statements, which include a summary of significant accounting policies.

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 Special Purpose 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.

Emphasis of Matter – Basis of accounting and Restriction on distribution and use

We draw attention to note 1 to the Special Purpose Financial Statements, which describes the basis of accounting and that the Special Purpose Financial Statements are prepared by Management for the sole purpose of fulfilling BidCo RelyOn Nutec A/S', Denmark obligations towards the Financial Supervisory Authority of Norway to prepare Special Purpose Financial Statements for guarantors and may therefore not be suitable for any other purposes.

Our Report has been prepared solely for use by the Company and the Financial Supervisory Authority of Norway and should not be distributed to or used by any other parties. Our opinion is not modified in respect to this matter

Management's Responsibility for the Special Purpose Financial Statements
Management is responsible for the preparation and fair presentation of the Special Purpose Financial Statements in accordance with the accounting policies set out in note 1, 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 Special Purpose 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 Special Purpose Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements
Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 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 Special Purpose Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 Special Purpose 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 Special Purpose 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.

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.

Hellerup, 6 September 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Income Statement 1 January - 31 December

	Note	2018	2017
		USD	USD
Income from investments in subsidiaries	4	-165.905	-1.207.774
Financial expenses	3	-2.274.253	-1.903.563
Profit before tax		**-2.440.158**	**-3.111.337**
Tax on profit for the year		0	0
Profit/loss for the year		**-2.440.158**	**-3.111.337**

Statement of Comprehensive Income 1 January - 31 December

	2018	2017
	USD	USD
Profit/loss for the year	-2.440.158	-3.111.337
	-2.440.158	**-3.111.337**

Balance Sheet at 31 December

Assets

	Note	2018	2017
		USD	USD
Investments in subsidiaries	4	1.886.143	2.052.048
Financial fixed assets		**1.886.143**	**2.052.048**
Deferred tax asset	5	0	0
Financial fixed assets		**0**	**0**
Non-current assets		**1.886.143**	**2.052.048**
Assets		**1.886.143**	**2.052.048**

Balance Sheet at 31 December

Equity and liabilities

	Note	2018	2017
		USD	USD
Equity		**-40.729.761**	**-38.289.603**
Payables to group companies		42.615.904	40.341.651
Current liabilities		**42.615.904**	**40.341.651**
Liabilities		**42.615.904**	**40.341.651**
Equity and liabilities		**1.886.143**	**2.052.048**

Going concern	2
Contingent liabilities and other financial obligations	6
Related parties	7
Subsequent events	8

Statement of Changes in Equity 1 January - 31 December

	Retained earnings	Total
	USD	USD
Equity at 1 January 2018	-38.289.603	-38.289.603
Result for the year	-2.440.158	-2.440.158
Equity at 31 December 2018	**-40.729.761**	**-40.729.761**
Equity at 1 January 2017	-35.178.266	-35.178.266
Result for the year	-3.111.337	-3.111.337
Equity at 31 December 2017	**-38.289.603**	**-38.289.603**

The Company has no share capital.

Notes

1 Accounting Policies

The Special Purpose Financial Statements are prepared for the sole purpose of fulfilling the requirements from the Financial Supervisory Authority of Norway (and the Oslo Stock Exchange) regarding the application for admission to the listing of the BidCo RelyOn Nutec A/S`s bonds on the Oslo Stock Exchange.

The Special Purpose Financial Statements for 2017 and 2018, respectively, are prepared in accordance with the accounting policies set out below. The disclosure and presentation requirements have been established by the Management. The Special Purpose Financial Statements may therefore not be suitable for any other purposes than the above listed.

The Special Purpose Financial Statements for 2017 and 2018 are presented in USD, which is the functional currency of the Company. The Special Purpose Financial Statements are prepared on a historical cost basis.

Consolidated Financial Statement

The Company has not prepared consolidated Special Purpose Financial Statements as the Company is included in the Consolidated Financial Statements of BidCo RelyOn Nutec A/S, Denmark.

Income statement

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses represent interest income and interest expense determined on an effective interest basis and realized and unrealized exchange rate gains and losses.

Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Notes

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises based on the carrying amount of the net assets in the financial statements of the respective subsidiaries. The financial statements of the subsidiaries are prepared on a historical cost basis. The difference, if any, between the acquisition price and the carrying amount as of the acquisition date is not accounted for.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Company to cover the negative balance of the enterprise is recognised in provisions.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

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 realized, 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 crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Notes

2 Going Concern

At year-end, the Company has a negative equity. The Company has received a Letter of Support and Subordination from its Parent Companies in Denmark, BidCo RelyOn Nutec A/S and RelyOn Nutec Holding A/S insuring the required funding of its future operation until 31 December 2020. Furthermore, the Parent Companies will subordinate their receivables in favour of other creditors of the Company.

Management has on this basis prepared the Financial Statements on a going concern basis.

	2018	2017
	USD	USD
3 Financial expenses		
Intercompany interest	-2.274.253	-1.903.563
	-2.274.253	**-1.903.563**
4 Investments in subsidiaries		
Equity value 1 January	2.052.048	3.259.822
Result for the year	-165.905	-1.207.774
Equity value 31 January 2018	**1.886.143**	**2.052.048**

Investments in subsidiaries are specified as follows:

2018 - USD

Name	Place of registered office	Equity	Net profit
RelOn Nutec Services Inc	Louisiana	1.886.143	-165.905
RelyOn Nutec USA, LLC	Louisiana	-921.272	149.664

2017 - USD

Name	Place of registered office	Equity	Net profit
RelOn Nutec Services Inc	Louisiana	2.052.048	-1.207.774
RelyOn Nutec USA, LLC	Louisiana	-1.070.939	-5.901.315

Notes

5 Deferred tax

The Company is part of a joint taxation in the US. The joint taxation has a unrecognised tax asset of USD 5.6 million

The Company also has a unrecognised deferred tax asset of 13 mUSD relating to a entity specific pre-joint taxation loss.

6 Contingent liabilities and other financial obligations

Charges and security
Investments in subsidiaries are placed as security toward debt of a parent Company:
BidCo RelyOn Nutec A/S, Denmark

Contingent liabilities
The US group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

There are no other material security and contingent liabilitites at 31 December 2018.

7 Related parties

The Group is controlled by the following entities:

Immediate parent entity:	P-Holding RelyOn Nutec A/S, Denmark
Ultimate parent entity and controlling party:	Polaris Private Equity IV K/S, Denmark

All transactions with related parties have been carried out on arm's length terms.

The Company is included in the Consolidated Financial Statement of BidCo RelyOn Nutec A/S, Denmark. The Consolidated Financial Statements can be obtained on the following addresses:
Kalvebod Brygge 45, 3rd floor, DK-1560 Copenhagen, Denmark

8 Subsequent events

There have been no material events after the balance sheet date.

RelyOn Nutec Services, Inc.

Registration number 34531108D

Special Purpose Financial Statements
for 2018 and 2017

Contents

Company information

The Company	RelyOn Nutec Services, Inc. 209 Clendenning Road 70363, Houma, LA United States	
	Registration Number:	34531108D
	Financial year:	1 January – 31 December
	Jurisdiction of reg. office:	Louisiana, United States of America
Ownership	The Company is fully owned by: RelyOn Nutec USA Holdings, LLC. Registration Number 4515417 209 Clendenning Road 70363, Houma, LA United States	
Board of Directors	Jennifer Christine Lewis Jarod Richard	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup Denmark	

Management's Statement on the Special Purpose Financial Statements

The board of directors has today considered and adopted the Special Purpose Financial Statements of RelyOn Nutec Services, Inc. for the financial year 1 January - 31 December 2018 and 1 January – 31 December 2017, respectively.

The Special Purpose Financial Statements are prepared in accordance with the accounting policies set out in note 1. We consider the accounting policies applied appropriate and the accounting estimates reasonable.

In our opinion, the Special Purpose Financial Statements have in all material respects been prepared in accordance with the accounting policies set out in note 1 and give a fair presentation of the financial position at 31 December 2018 and 31 December 2017, respectively, of the Company and of the results of the Company's operations for 2018 and 2017, respectively.

No events have occurred after 31 December 2018 that have a material effect of the Company's financial position at 31 December 2018.

Houma, 6 September 2019

Board of directors

Jennifer Christine Lewis

Jarod Richard

Independent Auditor's Report

To the shareholders of RelyOn Nutec Services, Inc., the United States of America

Opinion

In our opinion, the Special Purpose Financial Statements for 2018 and 2017 of RelyOn Nutec Services, Inc. (the Company) are prepared, in all material respects, in accordance with the accounting policies set out in note 1.

We have audited

The Special Purpose Financial Statements of the Company comprise:

- income statement for the financial year 2018 and 2017, respectively,
- balance sheet as of 31 December 2018 and 31 December 2017, respectively,
- statement of changes in equity for 2018 and 2017, respectively, and
- notes to the Special Purpose Financial Statements, which include a summary of significant accounting policies.

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 Special Purpose 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.

Emphasis of Matter – Basis of accounting and Restriction on distribution and use

We draw attention to note 1 to the Special Purpose Financial Statements, which describes the basis of accounting and that the Special Purpose Financial Statements are prepared by Management for the sole purpose of fulfilling BidCo RelyOn Nutec A/S', Denmark obligations towards the Financial Supervisory Authority of Norway to prepare Special Purpose Financial Statements for guarantors and may therefore not be suitable for any other purposes.

Our Report has been prepared solely for use by the Company and the Financial Supervisory Authority of Norway and should not be distributed to or used by any other parties. Our opinion is not modified in respect to this matter

Management's Responsibility for the Special Purpose Financial Statements
Management is responsible for the preparation and fair presentation of the Special Purpose Financial Statements in accordance with the accounting policies set out in note 1, 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 Special Purpose 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 Special Purpose Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements
Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 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 Special Purpose Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 Special Purpose 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 Special Purpose 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.

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.

Hellerup, 6 September 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen	Thomas Wraae Holm
State Authorised Public Accountant	State Authorised Public Accountant
mne28703	mne30141

Income Statement 1 January - 31 December

	Note	2018	2017
		USD	USD
Revenue	3	**308.823**	**1.421.265**
Direct cost		-8.744	-320.309
Gross profit		**300.079**	**1.100.957**
Employee costs	4	-298.976	-1.013.748
Other external expenses		-64.293	-1.131.357
Other operating expenses		-2.544	0
Operating profit		**-65.734**	**-1.044.149**
Amortization and depreciation	7	-98.985	-90.560
Profit before financial items		**-164.719**	**-1.134.708**
Financial expenses	5	-25	-2.536
Profit before tax		**-164.744**	**-1.137.245**
Tax on profit for the year	6	-1.161	-70.529
Profit/loss for the year		**-165.905**	**-1.207.774**

Statement of Comprehensive Income 1 January - 31 December

	2018	2017
	USD	USD
Profit/loss for the year	-165.905	-1.207.774
	-165.905	**-1.207.774**

Balance Sheet at 31 December

Assets

	Note	2018	2017
		USD	USD
Land and buildings		148.688	163.909
Equipment		287.499	371.263
Property, plant and equipment	7	**436.187**	**535.172**
Investment in subsidiaries	8	1	1
Deferred tax	9	0	0
Financial fixed assets		**1**	**1**
Receivables from group companies		1.369.508	332.146
Trade receivables		53.586	648.231
Prepayments		0	35.324
Receivables		**1.423.094**	**1.015.701**
Cash at bank and in hand		**32.089**	**1.044.166**
Current assets		**1.455.183**	**2.059.867**
Assets		**1.891.371**	**2.595.040**

Balance Sheet at 31 December

Equity and liabilities

	Note	2018	2017
		USD	USD
Equity		**1.886.143**	**2.052.048**
Trade payables		5.125	531.944
Income tax payable		103	1.442
Other payables		0	9.606
Current liabilities		**5.228**	**542.992**
Liabilities		**5.228**	**542.992**
Equity and liabilities		**1.891.371**	**2.595.040**
Going concern	2		
Contingent liabilities and other financial obligations	10		
Related parties	11		
Subsequent events	12		

Statement of Changes in Equity 1 January - 31 December

	Share capital	Retained earnings	Total
	USD	USD	USD
Equity at 1 January 2018	0	2.052.048	2.052.048
Comprehensive income for the year	0	-165.905	-165.905
Equity at 31 December 2018	**0**	**1.886.143**	**1.886.143**
Equity at 1 January 2017	0	3.259.821	3.259.821
Comprehensive income for the year	0	-1.207.774	-1.207.774
Equity at 31 December 2017	**0**	**2.052.048**	**2.052.048**

The share capital consists of 90 shares of a nominal value of USD 0.

Notes

1 Accounting Policies

The Special Purpose Financial Statements are prepared for the sole purpose of fulfilling the requirements from the Financial Supervisory Authority of Norway (and the Oslo Stock Exchange) regarding the application for admission to the listing of the BidCo RelyOn Nutec A/S`s bonds on the Oslo Stock Exchange.

The Special Purpose Financial Statements for 2017 and 2018, respectively, are prepared in accordance with the accounting policies set out below. The disclosure and presentation requirements have been established by the Management. The Special Purpose Financial Statements may therefore not be suitable for any other purposes than the above listed.

The Special Purpose Financial Statements for 2017 and 2018 are presented in USD, which is the functional currency of the Company. The Special Purpose Financial Statements are prepared on a historical cost basis.

Income statement

Revenue

The Company generates revenue from enclosures and warehouse storage and income by renting out owned safety facilities.

Revenue from providing services is recognized in the accounting period in which the services are rendered.

If the value of the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized. A receivable is recognized when the receipt of payment is conditional on passage of time only.

Where another party is involved in providing the services to the customer, the Company assesses on a contract by contract basis, whether the Company is acting as a principal or as an agent. The Company is acting as a principal when the nature of its promise is a performance obligation to provide the specified services itself. On the contrary the Company is acting as an agent when it is arranging for the services to be provided by the other party.

When the Company obtains control over the specified service before it is transferred to the customer, it is a principal and thus recognizes revenue on a gross basis. When the Company is acting as an agent, the commission rather than the gross income is recognized as revenue.

Direct costs

Cost of sales comprise expenses for related to course material and subcontractors.

Employee costs

Employee costs comprise wages and salaries as well as expenses for payroll & pensions and other staff related expenses.

Other external expenses

Other external costs comprise marketing, external consultancy, facilities etc.

Notes

Other operating expenses

Other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses represent interest income and interest expense, realized and unrealized exchange rate gains and losses and amortization related to financial assets and liabilities. Financials are recognized at the amounts related to the year.

Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes direct costs related to the asset and the initial estimate of the costs related to dismantling and removing the item and restoring the site on which it is located, if the costs meet the definition of a liability. Cost further includes borrowing costs from specific and general borrowings directly relating to the acquisition, construction or development of the individual qualifying asset during the period that is required to complete and prepare the asset for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

Depreciations are calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives, as follows:

Land and buildings:	25 - 30 years
Equipment:	3 - 10 years
Leasehold improvements:	Term of lease
Land:	Not depreciated

The residual value and useful life is determined at the date of acquisition and revalued each year. Where the residual value exceeds the carrying amount, the asset ceases to be depreciated.

Gains and losses on the disposal or scrapping of property, plant and equipment are determined as the difference between the sales price less dismantling, selling and re-establishing costs and the carrying amount. Gains and losses are recognized in the income statement as other operating income and external expenses, respectively.

Notes

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investment in subsidiaries are measured at cost or at a lower recoverable amount. If indications of impairments are identified, an impairment test is prepared. If the recoverable amount is lower than the carrying amount, the asset is written down to its lower recoverable amount.

Trade receivables

On initial recognition, receivables are measured at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost. Trade receivables and contract assets are written down for expected credit losses.

Provisions

Provisions are recognized when, as a consequence of an event occurring before or on the balance sheet date, the Company has a legal or constructive obligation and it is probable that an outflow of resources will be required to settle the obligation. The amount recognized as a provision is Management's best estimate of the present value of expenses required to settle the obligation.

Provisions for restructuring are recognized when a detailed, formal plan for the restructuring has been made before or on the balance sheet date and has been announced to the parties involved.

A provision for onerous contracts is made when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Financial debts

Debts are measured at amortized cost, substantially corresponding to nominal value.

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 realized, 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 utilize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Notes

2 Going concern

The Company has at year-end a negative equity. The Company has received a Letter of Support and Subordination from its Parent Companies in Denmark, BidCo RelyOn Nutec A/S and RelyOn Nutec Holding A/S insuring the required funding of its future operation uto 31 December 2020. Furthermore, the Parent Companies will subordinate their receivables in favour of other creditors of the Company.

Management has on this basis prepared the Financial Statements on a going concern basis.

	2018	2017
	USD	USD

3 Revenue

	2018 USD	2017 USD
Sale of services	162.435	1.301.397
Rental income	146.388	119.869
	308.823	**1.421.265**

4 Employee costs

	2018 USD	2017 USD
Wages and salaries	267.442	782.545
Pension, insurance and other social expenses	10.016	170.110
Other staff expenses	21.518	61.093
	298.976	**1.013.748**

All employees are implyed in the group related company: RelyOn Nutec USA, LLC. Employee costs therefore comprise invoicing from the group related company.

5 Financial expenses

	2018 USD	2017 USD
Bank charges	25	2.536
	25	**2.536**

6 Tax on profit for the year

	2018 USD	2017 USD
Current tax on profit for the year	1.161	70.529
	1.161	**70.529**

Notes

7 **Property, plant and equipment**	Land and buildings	Equipment	**Total**
	USD	USD	**USD**
2018			
Cost at 1 January	309.612	909.560	**1.219.172**
Disposals for the year	0	-377.707	**-377.707**
Cost at 31 December	309.612	531.853	**841.465**
Depreciation at 1 January	145.702	538.298	**684.000**
Depreciation for the year	15.221	83.764	**98.985**
Disposals for the year	0	-377.707	**-377.707**
Depreciation at 31 December	160.923	244.355	**405.278**
Carrying amount at 31 December	**148.689**	**287.498**	**436.187**
Depreciated over	**25-30 years**	**3-10 years**	

	Land and buildings	Equipment	**Total**
	USD	USD	**USD**
2017			
Cost at 1 January	313.146	827.819	**1.140.966**
Additions for the year	0	111.856	**111.856**
Disposals for the year	-3.535	-30.116	**-33.650**
Cost at 31 December	309.612	909.560	**1.219.172**
Depreciation at 1 January	132.920	494.172	**627.092**
Depreciation for the year	16.319	74.241	**90.560**
Disposals for the year	-3.537	-30.116	**-33.652**
Depreciation at 31 December	145.702	538.298	**684.000**
Carrying amount at 31 December	**163.910**	**371.262**	**535.172**
Depreciated over	**25-30 years**	**3-10 years**	

Notes

8 Investment in subsidiaries

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Equity*	Net profit*
Haztec Services Trinidad Limited	Trinidad	4.152.622	213.953

*According to local financial statements for 2018.

9 Deferred tax

The Company is part of a joint taxation in the US. The joint taxation has a unrecognised tax asset of USD 5.6 million at year-end 2018.

10 Contingent liabilities and other financial obligations

Charges and security

The are no assets which have been placed as security with credit institutions.

Contingent liabilities

The US group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

There are no other material security and contingent liabilitites at 31 December 2018.

11 Related parties

The Group is controlled by the following entities:

Immediate parent entity:	P-Holding RelyOn Nutec A/S, Denmark
Ultimate parent entity and controlling party:	Polaris Private Equity IV K/S, Denmark

All transactions with related parties have been carried out on arm's length terms.

The Company is included in the Consolidated Financial Statement of BidCo RelyOn Nutec A/S. The Consolidated Financial Statements can be obtained on the following addresses:
Kalvebod Brygge 45, 3rd floor, DK-1560 Copenhagen, Denmark

12 Subsequent events

There have been no material events after the balance sheet date.

RelyOn Nutec USA, LLC.

Registration number 35005427K

Special Purpose Financial Statements for 2018 and 2017

Contents

Company information

The Company	RelyOn Nutec USA, LLC. 209 Clendenning Road 70363, Houma, LA United States	
	Registration Number: Financial year: Jurisdiction of reg. office:	35005427K 1 January – 31 December Louisiana, United States of America
Ownership	The Company is fully owned by: RelyOn Nutec USA Holdings, LLC. Registration Number 4515417 209 Clendenning Road 70363, Houma, LA United States	
Board of Directors	Jennifer Christine Lewis Jarod Richard	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup Denmark	

Management's Statement on the Special Purpose Financial Statements

The board of directors has today considered and adopted the Special Purpose Financial Statements of RelyOn Nutec USA, LLC. for the financial year 1 January - 31 December 2018 and 1 January – 31 December 2017, respectively.

The Special Purpose Financial Statements are prepared in accordance with the accounting policies set out in note 1. We consider the accounting policies applied appropriate and the accounting estimates reasonable.

In our opinion, the Special Purpose Financial Statements have in all material respects been prepared in accordance with the accounting policies set out in note 1 and give a fair presentation of the financial position at 31 December 2018 and 31 December 2017, respectively, of the Company and of the results of the Company's operations for 2018 and 2017, respectively.

No events have occurred after 31 December 2018 that have a material effect of the Company's financial position at 31 December 2018.

Houma, 6 September 2019

Board of directors

Jennifer Christine Lewis

Jarod Richard

Independent Auditor's Report

To the shareholders of RelyOn Nutec USA, LLC.

Opinion

In our opinion, the Special Purpose Financial Statements for 2018 and 2017 of RelyOn Nutec USA, LLC. (the Company) are prepared, in all material respects, in accordance with the accounting policies set out in note 1.

We have audited

The Special Purpose Financial Statements of the Company comprise:

- income statement for the financial year 2018 and 2017, respectively,
- balance sheet as of 31 December 2018 and 31 December 2017, respectively,
- statement of changes in equity for 2018 and 2017, respectively, and
- notes to the Special Purpose Financial Statements, which include a summary of significant accounting policies.

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 Special Purpose 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.

Emphasis of Matter – Basis of accounting and Restriction on distribution and use

We draw attention to note 1 to the Special Purpose Financial Statements, which describes the basis of accounting and that the Special Purpose Financial Statements are prepared by Management for the sole purpose of fulfilling BidCo RelyOn Nutec A/S', Denmark obligations towards the Financial Supervisory Authority of Norway to prepare Special Purpose Financial Statements for guarantors and may therefore not be suitable for any other purposes.

Our Report has been prepared solely for use by the Company and the Financial Supervisory Authority of Norway and should not be distributed to or used by any other parties. Our opinion is not modified in respect to this matter

Management's Responsibility for the Special Purpose Financial Statements
Management is responsible for the preparation and fair presentation of the Special Purpose Financial Statements in accordance with the accounting policies set out in note 1, 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 Special Purpose 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 Special Purpose Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements
Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 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 Special Purpose Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 Special Purpose 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 Special Purpose 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.

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.

Hellerup, 6 September 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Income Statement 1 January - 31 December

	Note	2018	2017
		USD	USD
Revenue		16.169.533	16.712.011
Direct cost		-2.313.083	-3.498.877
Gross profit		**13.856.450**	**13.213.134**
Employee costs	3	-8.028.042	-7.647.594
Other external expenses		-4.531.632	-9.417.095
Other operating income and expenses		-8.634	1.350
Operating profit		**1.288.142**	**-3.850.205**
Amortization, depreciation and impairment	7, 8	-907.036	-1.816.814
Profit before financial items		**381.106**	**-5.667.019**
Financial income	4	1.064	0
Financial expenses	5	-161.806	-155.296
Profit before tax		**220.364**	**-5.822.315**
Tax on profit for the year	6	-70.699	-79.000
Profit/loss for the year		**149.665**	**-5.901.315**

Statement of Comprehensive Income 1 January - 31 December

	2018	2017
	USD	USD
Profit/loss for the year	149.665	-5.901.315
Comprehensive income	**149.665**	**-5.901.315**

Balance Sheet at 31 December

Assets

	Note	2018	2017
		USD	USD
Land and buildings		742.885	1.056.715
Leasehold improvements		941.612	1.081.595
Equipment		1.330.579	1.398.167
Assets under construction		199.406	193.994
Property, plant and equipment	7	**3.214.482**	**3.730.471**
Deferred tax	9	0	0
Non-current assets		**3.214.482**	**3.730.471**
Inventory		20.758	25.786
Trade receivables		2.990.419	2.087.652
Other receivables		16.509	16.431
Prepayments		357.394	266.981
Receivables		**3.364.322**	**2.371.064**
Cash at bank and in hand		473.795	727.995
Current assets		**3.858.875**	**3.124.845**
Assets		**7.073.357**	**6.855.316**

Balance Sheet at 31 December

Equity and liabilities

	Note	2018	2017
		USD	USD
Equity		**-921.274**	**-1.070.939**
Long term provisions	10	2.618.877	3.638.818
Non-current liabilities		**2.618.877**	**3.638.818**
Payables to group companies		1.538.623	587.443
Trade payables		1.764.740	1.438.103
Short term provisions	10	1.246.594	1.318.584
Other payables		825.797	943.307
Current liabilities		**5.375.754**	**4.287.437**
Liabilities		**7.994.631**	**7.926.255**
Equity and liabilities		**7.073.357**	**6.855.316**

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Statement of Changes in Equity 1 January - 31 December

	Retained earnings	Total
	USD	USD
Equity at 1 January 2018	-1.070.939	-1.070.939
Comprehensive income for the year	149.665	149.665
Equity at 31 December 2018	**-921.274**	**-921.274**
Equity at 1 January 2017	4.830.376	4.830.376
Comprehensive income for the year	-5.901.315	-5.901.315
Equity at 31 December 2017	**-1.070.939**	**-1.070.939**

The Company has no share capital

Notes

1 Accounting Policies

The Special Purpose Financial Statements are prepared for the sole purpose of fulfilling the requirements from the Financial Supervisory Authority of Norway (and the Oslo Stock Exchange) regarding the application for admission to the listing of the BidCo RelyOn Nutec A/S`s bonds on the Oslo Stock Exchange.

The Special Purpose Financial Statements for 2017 and 2018, respectively, are prepared in accordance with the accounting policies set out below. The disclosure and presentation requirements have been established by the Management. The Special Purpose Financial Statements may therefore not be suitable for any other purposes than the above listed.

The Special Purpose Financial Statements for 2017 and 2018 are presented in USD, which is the functional currency of the Company. The Special Purpose Financial Statements are prepared on a historical cost basis.

Income statement

Revenue

The Company generates revenue from delivering of safety training services to its customers within the oil and gas, wind and maritime industries globally.

Revenue from providing services is recognized in the accounting period in which the services are rendered.

The activity is pay-per-use, and the payment terms for customers are 30-60 days, and invoicing is shortly after completion of courses.

If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized. A receivable is recognized when the receipt of payment is conditional on passage of time only.

Where another party is involved in providing the services to the customer, the Company assesses on a contract by contract basis, whether the Company is acting as a principal or as an agent. The Company is acting as a principal when the nature of its promise is a performance obligation to provide the specified services itself. On the contrary the Company is acting as an agent when it is arranging for the services to be provided by the other party.

When the Company obtains control over the specified service before it is transferred to the customer, it is a principal and thus recognizes revenue on a gross basis. When the Company is acting as an agent, the commission rather than the gross income is recognized as revenue.

Direct costs

Cost of sales comprise expenses for related to course material and subcontractors.

Employee costs

Employee costs comprise wages and salaries as well as expenses for payroll and pensions and other staff related expenses.

Notes

Other external expenses

Other external costs comprise expenses for premises, marketing, external consultancy, office expenses etc.

Other operating income and expenses

Other operating income and other expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses represent interest income and interest expense, realized and unrealized exchange rate gains and losses and amortization related to financial assets and liabilities. Financials are recognized at the amounts related to the year.

Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Balance sheet

Intangible assets

Patents are measured at cost less accumulated amortization and impairment losses.

Amortization are calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes direct costs related to the asset and the initial estimate of the costs related to dismantling and removing the item and restoring the site on which it is located, if the costs meet the definition of a liability. Cost further includes borrowing costs from specific and general borrowings directly relating to the acquisition, construction or development of the individual qualifying asset during the period that is required to complete and prepare the asset for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

Notes

Depreciations are calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives, as follows:

Land and buildings:	25 - 30 years
Equipment:	3 - 10 years
Leasehold improvements:	Term of lease
Land:	Not depreciated

The residual value and useful life is determined at the date of acquisition and revalued each year. Where the residual value exceeds the carrying amount, the asset ceases to be depreciated.

Gains and losses on the disposal or scrapping of property, plant and equipment are determined as the difference between the sales price less dismantling, selling and re-establishing costs and the carrying amount. Gains and losses are recognized in the income statement as other operating income and external expenses, respectively.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life, as described above, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Each year, the assets are reviews in order to assess, whether there are any indicators of impairment.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount.

Trade receivables

On initial recognition, receivables are measured at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost.

Trade receivables and contract assets are written down for expected credit losses.

Provisions

Provisions are recognized when, as a consequence of an event occurring before or on the balance sheet date, the Company has a legal or constructive obligation and it is probable that an outflow of resources will be required to settle the obligation. The amount recognized as a provision is Management's best estimate of the present value of expenses required to settle the obligation.

Provisions for restructuring are recognized when a detailed, formal plan for the restructuring has been made before or on the balance sheet date and has been announced to the parties involved.

A provision for onerous contracts is made when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Financial debts

Debts are measured at amortized cost, substantially corresponding to nominal value.

Notes

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company. The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement. All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

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 realized, 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 crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Notes

2 Going Concern

The Company has at year-end a negative equity. The Company has received a Letter of Support and Subordination from its Parent Companies in Denmark, BidCo RelyOn Nutec A/S and RelyOn Nutec Holding A/S insuring the required funding of its future operation until 31 December 2020. Furthermore, the Parent Companies will subordinate their receivables in favour of other creditors of the Company.

Management has on this basis prepared the Financial Statements on a going concern basis.

3 Employee costs

	2018 USD	2017 USD
Wages and salaries	6.340.667	5.935.783
Pension, insurance and other social expenses	1.188.968	1.268.518
Other staff expenses	498.407	443.292
	8.028.042	**7.647.593**
Average number of full-time employees	**127**	**144**

4 Financial income

	2018 USD	2017 USD
Other financial income	1.063	0
	1.063	**0**

5 Financial expenses

	2018 USD	2017 USD
Bank charges	160.294	154.681
Exchange rate	1.512	614
	161.806	**155.295**

6 Tax on profit for the year

	2018 USD	2017 USD
Current tax on profit for the year	70.699	79.000
	70.699	**79.000**

Notes

	Land and buildings	Leasehold Improvements	Equipment	Assets under construction	**Total**
	USD	USD	USD	USD	**USD**

7 Property, plant and equipment

2018

	Land and buildings	Leasehold Improvements	Equipment	Assets under construction	**Total**
	USD	USD	USD	USD	**USD**
Cost at 1 January	1.339.081	2.754.181	7.626.021	193.993	**11.913.277**
Additions for the year	0	0	27.667	363.379	**391.046**
Disposals for the year	-31.781	-61.804	-2.217.682	0	**-2.311.267**
Transfer	0	14.650	343.317	-357.967	**0**
Cost at 31 December	**1.307.300**	**2.707.027**	**5.779.323**	**199.406**	**9.993.056**
Depreciation at 1 January	282.366	1.672.587	6.227.853	0	**8.182.806**
Depreciation and writedown	313.830	144.867	448.339	0	**907.036**
Disposals for the year	-31.781	-61.804	-2.217.682	0	**-2.311.267**
Depreciation at 31 December	**564.415**	**1.755.650**	**4.458.510**	**0**	**6.778.574**
Carrying amount at 31 December	**742.885**	**951.378**	**1.320.813**	**199.406**	**3.214.482**
Depreciated over	**25-30 years**	**Term of lease years**	**3-10 years**		

2017

	Land and buildings	Leasehold Improvements	Equipment	Assets under construction	**Total**
	USD	USD	USD	USD	**USD**
Cost at 1 January	1.339.081	2.751.861	7.460.641	22.170	**11.573.753**
Additions for the year			43.938	371.886	**415.824**
Disposals for the year		-15.845	-60.456		**-76.301**
Transfer		18.165	181.898	-200.063	**0**
Cost at 31 December	**1.339.081**	**2.754.181**	**7.626.021**	**193.993**	**11.913.277**
Depreciation at 1 January	263.383	1.534.135	5.794.076	0	**7.591.594**
Depreciation for the year	18.983	154.297	494.234	0	**667.515**
Disposals for the year		-15.845	-60.458	0	**-76.303**
Depreciation at 31 December	**282.366**	**1.672.587**	**6.227.853**	**0**	**8.182.806**
Carrying amount at 31 December	**1.056.714**	**1.081.594**	**1.398.169**	**193.993**	**3.730.471**
Depreciated over	**25-30 years**	**Term of lease years**	**3-10 years**		

Notes

8 Intangible assets

	Patent USD
2017	
Cost at 1 January	3.006.441
Cost at 31 December	3.006.441
Amortization and Impairment at 1 January	1.857.142
Impairment for the year	1.149.298
Amortization and Impairment at 31 December	3.006.441
Carrying amount at 31 December	**0**

9 Deferred tax

The Company is part of a joint taxation in the US. The joint taxation has a unrecognised tax asset of USD 5.6 million

10 Provisions

The provisions falls due for payment as specified below:

	2018 USD	2017 USD
Betweem 1 and 5 years	2.618.877	3.638.818
Long-term part	**2.618.877**	**3.638.818**
Within 1 year	1.246.594	1.318.584
	3.865.471	**4.957.402**

Provisions consist mainly of amounts recognised relating to onerous contract of leased buildings, which is not used by the Company.

11 Special items

The profit/loss for 2017 have been negatively effected by one-off costs in connection with provision for onerous contracts on leased buildings. One-off costs amount to USD 4.8 milllion (included in Other external expenses). Further, the the profit/loss for 2017 have been effected by impairment of intangible assets of USD 1.1 million.

12 Contingent liabilities and other financial obligations

Charges and security
The are no assets which have been placed as security with credit institutions.

Contingent liabilities
The US group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group.

There are no other material security and contingent liabilitites at 31 December 2018.

Notes

13 Related parties

The Group is controlled by the following entities:

Immediate parent entity:	RelyOn Nutec USA Holdings, LLC., USA
Ultimate parent entity and controlling party:	Polaris Private Equity IV K/S, Denmark

All transactions with related parties have been carried out on arm's length terms.

The Company is included in the Consolidated Financial Statement of BidCo RelyOn Nutec A/S, Denmark. The Consolidated Financial Statements can be obtained on the following addresses: Kalvebod brygge 3rd, floor, DK1560 Copenhagen, Denmark.

14 Subsequent events

There have been no material events after the balance sheet date.

Registered number: SC077855

ABERDEEN DRILLING SCHOOL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

ABERDEEN DRILLING SCHOOL LIMITED

COMPANY INFORMATION

Directors	J D Sutherland T Harring I Sutherland (resigned 12 October 2018) C Leydon (appointed 12 October 2018)
Registered number	SC077855
Registered office	50 Union Glen Aberdeen AB11 6ER
Independent auditor	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

ABERDEEN DRILLING SCHOOL LIMITED

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ABERDEEN DRILLING SCHOOL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors

The directors who served during the year were:

J D Sutherland
T Harring
I Sutherland (resigned 12 October 2018)
C Leydon (appointed 12 October 2018)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

JD Sutherland

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J D Sutherland
Director

Date: 12th August 2019

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN DRILLING SCHOOL LIMITED

Opinion

We have audited the financial statements of Aberdeen Drilling School Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN DRILLING SCHOOL LIMITED (CONTINUED)

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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Other matters

In the previous accounting period the directors of the Company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Pirrie

James Pirrie (Senior statutory auditor)

for and on behalf of
Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 15th August 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Turnover	1,876,233	1,484,628
Cost of sales	(869,454)	(746,436)
Gross profit	1,006,779	738,192
Administrative expenses	(1,199,479)	(1,079,896)
Operating loss	(192,700)	(341,704)
Income from fixed assets investments	750,000	500,000
Interest receivable and similar income	4,071	137
Profit before tax	561,371	158,433
Tax on profit	19,046	33,293
Profit for the financial year	580,417	191,726

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 10 to 17 form part of these financial statements.

ABERDEEN DRILLING SCHOOL LIMITED
REGISTERED NUMBER:SC077855

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	4		389,527		580,266
Investments	5		107,986		78,741
			497,513		659,007
Current assets					
Stocks	6	7,459		4,117	
Debtors: amounts falling due within one year	7	1,288,797		1,087,399	
Cash at bank and in hand	8	554,320		746,662	
		1,850,576		1,838,178	
Creditors: amounts falling due within one year	9	(1,827,409)		(1,972,121)	
Net current assets/(liabilities)			23,167		(133,943)
Total assets less current liabilities			520,680		525,064
Provisions for liabilities					
Deferred tax		-		(4,801)	
			-		(4,801)
Net assets			520,680		520,263

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital	10	141,711	141,711
Share premium account		290,683	290,683
Capital redemption reserve		28,329	28,329
Profit and loss account		59,957	59,540
		520,680	520,263

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J D Sutherland
Director

Date: 12TH AUGUST 2019

The notes on pages 10 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	141,711	290,683	28,329	(132,186)	328,537
Profit for the year	-	-	-	191,726	191,726
At 1 January 2018	141,711	290,683	28,329	59,540	520,263
Profit for the year	-	-	-	580,417	580,417
Dividends: Equity capital	-	-	-	(580,000)	(580,000)
At 31 December 2018	141,711	290,683	28,329	59,957	520,680

The notes on pages 10 to 17 form part of these financial statements.

1. General information

Aberdeen Drilling School Limited is a limited company incorporated in the United Kingdom. The registered office is 50 Union Glen, Aberdeen, AB11 6ER. The principal activity of the business is training personnel within the Oil & Gas industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Cash Flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102 Section 1A.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Tenants improvements	- Over the term of the lease
Plant & machinery	- 3 - 8 years
Fixtures & fittings	- 4 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.15 Pensions

Defined contribution pension plan

The Company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Average number of employees

The average monthly number of employees, including directors, during the year was 20 (2017 - 21).

4. Tangible fixed assets

	Tenants Improvements £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2018	530,512	745,513	38,284	1,314,309
Additions	-	10,803	-	10,803
At 31 December 2018	530,512	756,316	38,284	1,325,112
Depreciation				
At 1 January 2018	298,288	400,988	34,767	734,043
Charge for the year on owned assets	116,112	82,142	3,288	201,542
At 31 December 2018	414,400	483,130	38,055	935,585
Net book value				
At 31 December 2018	116,112	273,186	229	389,527
At 31 December 2017	232,224	344,525	3,517	580,266

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	78,741
Additions	29,245
At 31 December 2018	107,986

5. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Aberdeen Drilling International Limited	50 Union Glen, Aberdeen, AB11 6ER	Ordinary	100%
Aberdeen Drilling International Malaysia Limited	15-02 Menara Atlan 161B Jalan Ampang 50450 Kuala Lumpur Malaysia	Ordinary	100%
Aberdeen Drilling International LLC Company	5th Floor, Al-Shablan Towers Khobar Dammam Highway Al-Khobar -31952 Kingdom of Saudi Arabia	Ordinary	100%

6. Stocks

	2018 £	2017 £
Raw materials and consumables	7,459	4,117

7. Debtors

	2018 £	2017 £
Trade debtors	191,731	248,013
Amounts owed by group undertakings	1,001,210	774,387
Other debtors	2,518	2,517
Prepayments and accrued income	73,559	62,482
Deferred taxation	19,779	-
	1,288,797	1,087,399

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	554,320	746,662

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	85,790	86,196
Amounts owed to group undertakings	1,623,403	1,707,638
Other taxation and social security	55,474	46,821
Other creditors	33,309	36,435
Accruals and deferred income	29,433	95,031
	1,827,409	1,972,121

The bank holds a bond and floating charge over the whole assets of the company.

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
130,375 (2017 - 130,375) Ordinary shares of £1.00 each	130,375	130,375
11,336 (2017 - 11,336) A Ordinary shares of £1.00 each	11,336	11,336
	141,711	141,711

11. Commitments under operating leases

At 31 December 2018, the company had future minimum lease payments under non- cancellable operating leases of £139,541 (2017 - £231,846)

12. Related party transactions

Control

Following a share transaction during the year, the immediate parent company of Aberdeen Drilling School Limited is RelyOn Nutec Holding A/S a company registered in Denmark. The ultimate parent company and controlling entity of the group is Polaris Private Equity IV K/S a company registered in Denmark .

Transactions

The company has taken advantage of the exemptions within FRS 102 section 33 (Related Party Disclosure) which allows exemption from the disclosure of related party transactions with other group companies.

Outwith these exemptions, the company has entered into certain recharge transactions with Aberdeen Drilling International LLC, a company which subsidiary company Aberdeen Drilling International Limited holds a 70% shareholding. As a result of these transactions a balance of £561,936 (2017 - £258,796) is due from this company at 31 December 2018.

The following statement does not form part of the audited statutory financial statements of the company

ABERDEEN DRILLING SCHOOL LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Turnover	1,876,233	1,484,628
Cost of sales	(869,454)	(746,436)
Gross profit	1,006,779	738,192
Less: overheads		
Administration expenses	(1,199,479)	(1,079,896)
Operating loss	(192,700)	(341,704)
Interest receivable	4,071	137
Investment income	750,000	500,000
Tax on profit on ordinary activities	19,046	33,293
Profit for the year	580,417	191,726

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Turnover		
Sales	1,876,233	1,484,628
	1,876,233	1,484,628

	2018 £	2017 £
Cost of sales		
Direct costs	453,170	325,385
Wages and salaries	346,142	348,503
National insurance	31,952	35,116
Pension costs	10,890	10,132
Maintenance	27,300	27,300
	869,454	746,436

ABERDEEN DRILLING SCHOOL LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Administration expenses		
Directors salaries	98,833	106,000
Staff salaries	327,083	287,157
Staff national insurance	42,759	39,244
Staff pension costs	15,299	11,365
Royalties	-	1,012
Staff welfare	3,363	-
Motor running costs	1,747	631
Entertainment	3,812	3,053
Hotels, travel and subsistence	71,264	39,338
Stationary, manuals, postage and advertising	25,082	29,357
Telephone and fax	5,394	6,347
Computer costs	26,768	23,629
General office expenses	19	-
Professional fees	26,815	26,504
Equipment hire	19,754	20,872
Bank charges	7,771	9,302
Bad debts	27,734	(5,201)
Difference on foreign exchange	8,677	25,032
Sundry expenses	24,644	22,119
Rent and rates	204,958	192,273
Light and heat	21,690	19,339
Insurances	25,165	25,500
Repairs and maintenance	9,306	7,821
Depreciation	201,542	153,786
Falck integration costs	-	35,416
	1,199,479	1,079,896

	2018 £	2017 £
Interest receivable		
Bank interest receivable	4,071	137
	4,071	137

	2018 £	2017 £
Investment income		
Income from fixed asset investments	750,000	500,000
	750,000	500,000

Registered number: SC077855

ABERDEEN DRILLING SCHOOL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

ABERDEEN DRILLING SCHOOL LIMITED

COMPANY INFORMATION

Directors	J D Sutherland T Harring C Leydon (appointed 12 October 2018) I Sutherland (resigned 12 October 2018) J W Grant (appointed 28 August 2019)
Registered number	SC077855
Registered office	50 Union Glen Aberdeen AB11 6ER
Independent auditor	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

ABERDEEN DRILLING SCHOOL LIMITED

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ABERDEEN DRILLING SCHOOL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

J D Sutherland
T Harring
I Sutherland (resigned 12 October 2018)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

....
J W Grant
Director

Date: 29TH AUGUST 2019

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN DRILLING SCHOOL LIMITED

Opinion

We have audited the financial statements of Aberdeen Drilling School Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN DRILLING SCHOOL LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN DRILLING SCHOOL LIMITED (CONTINUED)

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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Pirrie

James Pirrie (Senior statutory auditor)

for and on behalf of
Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 30th August 2019

ABERDEEN DRILLING SCHOOL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Turnover	1,484,628	1,713,567
Cost of sales	(746,436)	(673,946)
Gross profit	738,192	1,039,621
Administrative expenses	(1,079,896)	(1,040,068)
Operating loss	(341,704)	(447)
Income from fixed assets investments	500,000	-
Interest payable and expenses	137	-
Profit/(loss) before tax	158,433	(447)
Tax on profit/(loss)	33,293	2,931
Profit for the financial year	191,726	2,484

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 10 to 18 form part of these financial statements.

ABERDEEN DRILLING SCHOOL LIMITED
REGISTERED NUMBER:SC077855

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	4		580,266		729,363
Investments	5		78,741		78,741
			659,007		808,104
Current assets					
Stocks		4,117		2,764	
Debtors: amounts falling due within one year	6	1,087,399		677,499	
Cash at bank and in hand	7	746,662		726,632	
		1,838,178		1,406,895	
Creditors: amounts falling due within one year	8	(1,972,121)		(1,822,026)	
Net current liabilities			(133,943)		(415,131)
Total assets less current liabilities			525,064		392,973
Creditors: amounts falling due after more than one year	9		-		(7,656)
Provisions for liabilities					
Deferred tax		(4,801)		(56,780)	
			(4,801)		(56,780)
Net assets			520,263		328,537

ABERDEEN DRILLING SCHOOL LIMITED
REGISTERED NUMBER:SC077855

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	11	141,711	141,711
Share premium account		290,683	290,683
Capital redemption reserve		28,329	28,329
Profit and loss account		59,540	(132,186)
		520,263	328,537

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

....
J W Grant
Director

Date: 29TH AUGUST 2019

The notes on pages 10 to 18 form part of these financial statements.

ABERDEEN DRILLING SCHOOL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	141,711	290,683	28,329	(132,186)	328,537
Profit for the year	-	-	-	191,726	191,726
At 31 December 2017	141,711	290,683	28,329	59,540	520,263

The notes on pages 10 to 18 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2016	141,711	290,683	28,329	(134,670)	326,053
Profit for the year	-	-	-	2,484	2,484
At 31 December 2016	141,711	290,683	28,329	(132,186)	328,537

The notes on pages 10 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Aberdeen Drilling School Limited is a limited company incorporated in the United Kingdom. The registered office is 50 Union Glen, Aberdeen, AB11 6ER. The principal activity of the business is training personnel within the Oil & Gas industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Cash Flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102 Section 1A.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Property improvements	- Over the term of the lease
Plant & machinery	- 3 - 8 years
Fixtures & fittings	- 4 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.14 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Average number of employees

The average monthly number of employees, including directors, during the year was 21 (2016 - 22).

4. Tangible fixed assets

	S/Term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2017	530,512	740,824	38,284	1,309,620
Additions	-	4,689	-	4,689
At 31 December 2017	530,512	745,513	38,284	1,314,309
Depreciation				
At 1 January 2017	244,343	306,427	29,487	580,257
Charge for the year on owned assets	53,945	94,561	5,280	153,786
At 31 December 2017	298,288	400,988	34,767	734,043
Net book value				
At 31 December 2017	232,224	344,525	3,517	580,266
At 31 December 2016	286,169	434,397	8,797	729,363

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	-	224,706

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	78,741
At 31 December 2017	78,741

Subsidiary undertakings

The company holds 100% shareholdings in; Aberdeen Drilling International Limited, a company incorporated in the United Arab Emirates; and Aberdeen Drilling International Malaysia, a company incorporated in Malaysia.

The Principal activity of these subsidiary undertakings is the provision of training products and services to the oil and gas industry.

The aggregate of the share capital and reserves of Aberdeen Drilling International Limited at 31 December 2017 amounted to £2,591,629 (2016 - £2,482,916) and the profit for the year ended on that date was £608,713 (2016 - £786,698).

The aggregate of the share capital and reserves of Aberdeen Drilling International Malaysia at 31 December 2017 amounted to £(136,212) (2016 - £(212,857)) and the loss for the year ended on that date was £13,833 (2016 - £77,385).

6. Debtors

	2017 £	2016 £
Trade debtors	248,013	228,953
Amounts owed by group undertakings	774,387	365,401
Other debtors	2,517	198
Prepayments and accrued income	62,482	82,947
	1,087,399	677,499

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	746,662	726,632

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	86,196	87,020
Amounts owed to group undertakings	1,707,638	1,582,024
Other taxation and social security	46,821	45,223
Obligations under finance lease and hire purchase contracts	-	30,623
Other creditors	36,435	27,482
Accruals and deferred income	95,031	49,654
	1,972,121	1,822,026

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	-	7,656

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	-	30,623
Between 1-2 years	-	7,656
	-	38,279

11. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
130,375 (2016 - 130,375) Ordinary shares of £1.00 each	130,375	130,375
11,336 (2016 - 11,336) A Ordinary shares of £1.00 each	11,336	11,336
	141,711	141,711

12. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases of £231,846 (2016 - £369,267).

13. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Subsequent to the year end, following a share transaction, owenership of Aberdeen Drilling School Limited passed to RelyOn Nutec Holding A/S a company registered in Denmark.

The ultimate parent company and controlling entity of the group is Polaris Private Equity IV K/S a company registered in Denmark .

Transactions

The company has taken advantage of the exeptions within FRS 102 section 33 (Related Party Disclosure) which allows exemption from the disclosure of related party transactions with other group companies.

Outwith these exemptions, the company has entered into certain recharge transactions with Aberdeen Drilling International LLC, a company which subsidiary company Aberdeen Drilling International Limited holds a 70% shareholding. As a result of these transactions a balance of £258,796 is due from this company at 31 December 2017.