

Company Registration No. 05652020

## **Santa Fe Group Limited**

### **Report and Financial Statements**

**For the Year Ended 31 December  
2017**



## **Reports and financial statements 2017**

### **Contents**

Directors' Report	1
Strategic Report	3
Statement of directors' responsibilities in respect of the annual report and the financial statements	5
Independent auditor's report to the members of Santa Fe Group Limited	6
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes	12

## **Directors' Report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2017

### **Directors**

The directors who held office during the year were as follows:

M Thaysen  
C M Laursen

### **Principal activity**

The company is an intermediate holding company for a group of companies engaged in the international corporate moving and relocation business.

### **Financial risks**

The company's main financial risk identified by our periodical business review is liquidity. The directors have reviewed the potential impact of interest rate risk, credit risk and price risk and these are not considered material.

Short-term liquidity risk is addressed through meticulous monitoring of working capital. Policies in place safeguard potential cash flow disruptions and an additional guarantee of continuity is the fact that the Group deals almost exclusively with blue-chip companies.

Currency risks are not material, but when necessary a hedging tool is used to minimise exchange differences.

### **Reporting currency**

The company presents its accounts in Euros, for consistency with most other companies in the group of which it is a part.

### **Political contributions**

The Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## **Directors' Report (continued)**

### **Other information**

An indication of likely future developments in the business have been included in the Strategic Report on page 3.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



**C M Laursen**  
*Director*

27<sup>th</sup> September 2018

Santa Fe Group  
Limited  
15 Central Way  
Park Royal  
London  
NW10 7XW

## **Strategic Report**

### **Business review**

During the year the company operated as an intermediary holding company for the purpose of performing management services for other group companies. Its principal source of income is dividends from those Group companies and costs being management costs not charged out to the other Group companies.

#### **Significant Events**

Each year, the directors conduct a review of the carrying value of the company's investments in its subsidiary companies. Following the impairment in relation to the Company's Australian investment, the directors have concluded that the book value of the Company's investments held is lower than their recoverable amount.

#### **Bank Refinancing**

Due to high investment activity and pressure on the operating cash flow during 2017 Santa Fe Group was in breach of one covenant on the main financing facility by 31<sup>st</sup> December 2017. The banks waived the breach in February 2018. The amount drawn under the facility at 31<sup>st</sup> December 2017 amounts to €22m and as a consequence of the waiver only being received after the annual closing, the entire amount outstanding on the facility has been presented as current debt. However, the group agreed terms on a refinancing on 27<sup>th</sup> February 2018, which will replace the current bank financing with new non-current financing. Hence the creditors over 1 year have been reclassified as creditors due within 1 year.

On 27<sup>th</sup> February 2018 Santa Fe Group agreed terms with Proventus Capital Partners on a €40m loan, subject to customary conditions being satisfied, which will refinance the existing facilities during Q1 2018. The facility is a combined €30m six years Senior Secured Unitranche Loan and a short term €10m credit facility. Terms and conditions are as customary for such loans. The loan does not require any mandatory instalments. Santa Fe Group has options to repay up to €11m of the Senior Secured Unitranche Loan without penalty under certain conditions. The loan facility can be fully prepaid after 3 years & 9 months after the closing date against prescribed prepayment fees. .

#### **Core Project**

The implementation of a new core technology platform was initiated in January 2016 entering into the Salesforce contracts signed in January 2016, and phase 1 of the implementation was launched into our production environment in November 2016. The new technology platform will improve customer and assignee experience and improve data security. Moreover, it will increase employee engagement, improve decision support and facilitate operational efficiencies.

### **Results and financial position**

The company did not trade during the year but acted as the principal holding company for the Santa Fe Group.

The profit and loss account is set out on page 8 and shows the results for the year.

The Profit on ordinary activities before taxation is €5,765k (2016: €21,680k Loss).

## **Strategic Report (continued)**

### ***Future prospects***

It is the directors' intention for the company to continue to act as an intermediate holding company and not to trade.

By order of the board



**C M Laursen**  
*Director*

27<sup>th</sup> September 2018

Santa Fe Group Limited  
15 Central Way  
Park Royal  
London  
NW10 7XW

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANTA FE GROUP LIMITED**

### **Opinion**

We have audited the financial statements of Santa Fe Group Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

*C. Anderson*

Charlotte Anderson (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor

KPMG LLP  
58 Clarendon Road  
Watford  
WD17 1DE  
United Kingdom

1 October 2018

**Profit and Loss Account**  
**for the year ended 31 December 2017**

	Note	2017 Total €'000	2016 Total €'000
Income from shares in group undertakings		25,804	14,555
Administrative expenses		(7,265)	(3,263)
Intercompany bad debts Increase		(22,624)	6,888
Intercompany loans write off		<u>11,148</u>	<u>(18,906)</u>
<b>Operating profit / (loss)</b>		<b>7,063</b>	<b>(726)</b>
Other interest receivable and similar income	7	129	34
Amounts written off investments	12	-	(19,710)
Interest payable and similar charges	8	<u>(1,427)</u>	<u>(1,278)</u>
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>5,765</b>	<b>(21,680)</b>
Tax on profit / (loss) on ordinary activities	9	-	-
<b>Profit / (loss) for the financial year</b>		<b><u>5,765</u></b>	<b><u>(21,680)</u></b>

All amounts above relate to continuing operations. There were no other comprehensive income items in the current or prior year.

The notes on pages 12 to 25 form an integral part of these Financial Statements

**Balance Sheet**  
**at 31<sup>st</sup> December 2017**

	<i>Note</i>	<b>2017</b> <b>€'000</b>	<b>€'000</b>	<b>2016</b> <b>€'000</b>	<b>€'000</b>
<b>Fixed assets</b>					
Tangible assets	10	594		319	
Intangible assets	11	7,807		3,876	
Investments	12	119,663		119,663	
			<hr/>		<hr/>
			128,064		123,858
<b>Current assets</b>					
Debtors	13	1,043		8,744	
Cash at bank and in hand		1,293		14,450	
		<hr/>		<hr/>	
		2,336		23,194	
<b>Creditors: amounts falling due within one year</b>	14	(40,623)		(86,943)	
		<hr/>		<hr/>	
<b>Net current (liabilities)</b>		(38,287)		(63,749)	
<b>Total assets less current liabilities</b>			<u>89,777</u>		<u>60,109</u>
<b>Creditors: amounts falling due after more than one year</b>	15		-		(21,147)
<b>Net assets</b>			<u>89,777</u>		<u>38,962</u>
<b>Capital and reserves</b>					
Called up share capital	16		172,123		127,123
Profit and loss account			(82,346)		(88,161)
<b>Shareholders' funds</b>			<u>89,777</u>		<u>38,962</u>

These financial statements were approved by the board of directors on September 2018 and were signed on its behalf by:



**C M Laursen**  
*Director*

Company registered number: 05652020

The notes on pages 12 to 25 form an integral part of these financial statements.

## Statement of Changes in Equity

	Called up Share capital	Profit and loss account	Total equity
	€'000	€'000	€'000
Balance at 1 January 2016	<u>127,123</u>	<u>(66,481)</u>	<u>60,642</u>
<b>Total comprehensive income for the period</b>			
Total comprehensive income for the period	<u>-</u>	<u>(21,680)</u>	<u>(21,680)</u>
Total contributions by and distributions to owners	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance at 31 December 2016</b>	<u>127,123</u>	<u>(88,161)</u>	<u>38,962</u>

The notes on pages 12 to 25 form an integral part of these financial statements.

## Statement of Changes in Equity (continued)

	Called up Share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2017	127,123	(88,161)	38,962
<b>Total comprehensive income for the period</b>			
Profit	-	5,765	5,765
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	5,765	5,765
Transactions with owners, recorded directly in equity			
Issue of shares	45,000	-	45,000
Equity-settled share based payment transactions	-	50	50
Total contributions by and distributions to owners	45,000	50	45,050
<b>Balance at 31 December 2017</b>	<b>172,123</b>	<b>(82,346)</b>	<b>89,777</b>

The notes on pages 12 to 25 form an integral part of these financial statements

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

Santa Fe Group Ltd is a company limited by shares and incorporated and domiciled in the UK.

Santa Fe Group Ltd 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.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

The Company's ultimate parent undertaking, Santa Fe Group A/S includes the Company in its consolidated financial statements. The consolidated financial statements of Santa Fe Group A/S are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from East Asiatic House, 20 Indiakaj, DK-2100 Copenhagen, Denmark. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;

As the consolidated financial statements of Santa Fe Group A/S include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments;

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

### **Basis of accounting**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention.

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies (continued)**

#### **Going Concern**

Notwithstanding the fact that the Company has net current liabilities of €38,287k (2016: €63,749k) as at the balance sheet date, the Directors have prepared these financial statements on a going concern basis, which they believe is appropriate for the following reasons.

The directors expect a reduction in operating costs for the next 12 month period from the date of approval of these financial statements due to cost saving initiatives in process. Sufficient funds should be available to enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment assuming funding provided by group entities continues to be available and additional funding is provided as expected to be required.

The ultimate parent undertaking, Santa Fe Group A/S, has confirmed that they will provide sufficient funding, as required, to ensure that the Company can meet its liabilities as and when they fall due for a period of at least 12 months from the date of signing of these financial statements. As with any company placing reliance on a parent company for financial support, the Directors acknowledge that there can be no guarantee that this support will continue although they take comfort from the Announcement of the interim report for H1 2018 for Santa Fe Group A/S where the Board announced that options for strengthening the capital structure of the Group were being considered

#### **Investments**

Investments held as fixed assets are stated at cost less provision for any impairment.

#### **Foreign currencies**

Items included in the financial statements are measured and presented in the functional currency, which is Euros.

Monetary assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euros at the rates of exchange ruling at the dates of the transactions. Exchange gains or losses arising are taken to the profit and loss account.

Where loans denominated in foreign currencies are made to overseas subsidiaries and fellow subsidiary companies and the loans are considered to be long-term, exchange gains or losses arising from the translation of these loans and the related foreign currency investment at the rate of exchange ruling at the balance sheet date are taken to reserves.

#### **Information regarding directors and employees**

During the current year Directors of the company received remuneration for services to the company of €1.18m; (2016: €1.59m) this was paid through another entity Santa Fe Group Ltd.

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Office Equipment 5 years
- Computer Equipment 5 years
- Servers 5 years
- Other Equipment 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

#### **Intangible fixed assets**

The cost of acquired software licences comprises the cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives on a straight line basis.

Costs that are directly associated with the production of identifiable and unique software products controlled by Santa Fe Group that will probably generate economic benefits are recognised as intangible assets. Such software development costs are amortised over their estimated useful lives.

- Intangible Assets 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits

#### **Impairment**

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that 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.

#### **Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **Expenses**

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account .

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

#### **Management Service Charges**

Administrative expenses comprise of fees charged to other group companies for Management services and the income is recognised as it is invoiced monthly.

#### **Income**

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

#### **Taxation**

Corporation 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 group'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.

## **Notes** *(continued)*

### **2 Expenses and auditor's remuneration**

*Included in profit/loss are the following:*

	<b>2017</b> <b>€'000</b>	2016 €'000
Impairment loss on Investments	-	19,710
Bad Debt Provision increase / (release)	<b>22,624</b>	(6,888)
	<hr/>	<hr/>

*Auditor's remuneration:*

	<b>2017</b> <b>€'000</b>	2016 €'000
Audit of these financial statements		
Audit of financial statements	4	5
Taxation compliance services	-	9
Other assurance services	-	4
	<hr/>	<hr/>

### **3 Staff numbers and costs**

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	<b>Number of employees</b>	
	<b>2017</b>	2016
Administration	<b>69</b>	60
	<hr/>	<hr/>
	<b>69</b>	60
	<hr/>	<hr/>

## **Notes (continued)**

### **4 Staff numbers and costs (continued)**

The aggregate payroll costs of these persons were as follows:

	<b>2017</b>	2016
	<b>€000</b>	€000
Wages and salaries	<b>6,096</b>	5,347
Social security costs	<b>829</b>	681
Contributions to defined contribution plans	<b>691</b>	595
	<hr/> <b>7,616</b> <hr/>	<hr/> 6,623 <hr/>

### **5 Directors' remuneration**

	<b>2017</b>	2016
	<b>€000</b>	€000
Directors' remuneration	<b>1,084</b>	1,074
Company contributions to money purchase pension plans	<b>96</b>	519
	<hr/> <b>1,180</b> <hr/>	<hr/> 1,593 <hr/>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was €571k (2016: €741k), and company pension contributions of €44k (2016: €51k) were made to a money purchase scheme on his behalf. During the year, the highest paid director exercised share options and received shares under a long term incentive scheme.

	<b>Number of directors</b>	
	<b>2017</b>	2016
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<b>2</b>	2
	<hr/>	<hr/>
The number of directors who exercised share options was	<b>-</b>	-
The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was	<b>2</b>	1
	<hr/>	<hr/>

## **Notes (continued)**

### **6 Employee benefits**

#### **Share based payments**

##### Share option programme 2016

During the prior year an award of shares in the Company's parent was made to senior executives in the Company under a new incentive pay scheme ("Matching Option Incentive Programme").

Participation in the incentive pay scheme is based on the condition that the participants will buy a number of shares in the parent company, Santa Fe Group A/S at Market price.

Each investment share entitles the holder to acquire up to four additional shares in Santa Fe Group A/S at a pre-determined exercise price, subject to the Santa Fe Group achieving pre-determined goals for EBITDA before special items (operating profit before amortisation, depreciation, impairment and special items) in 2016 and 2017, respectively. The options vest at the date of publication of the Santa Fe Group's A/S annual report 2016 and 2017, respectively and are exercisable from the publication of the annual report for 2016 until four weeks after the publication of the annual report for 2017. The exercise price of the options is based on the average share price for the Santa Fe Group A/S's shares on the first ten trading days after the announcement of the Group's quarterly results as of 21 May 2016.

The Board of directors ( Santa Fe Group A/S) can adjust the EBITDA goals in the case of divestments or acquisitions resulting in a decrease or increase in EBITDA, which cannot be directly ascribed to the existing business at the time of the setting up of the incentive pay scheme.

There are no cash settlement alternatives and the share options are covered by Santa Fe Group A/S's holding of treasury shares.

The determined EBITDA before special items goal for 2015 and 2016 was not met (impacting 105,300 options). The total cost recognised in the income statement in 2017 was EUR: 0.0m (2016:0.0m) after adjustment for expected number of options to ultimately vest.

##### Share option programme 2017

During the current year a further award of shares in the Company's parent was made to senior executives in the company.

The share options were granted under two schemes – a Basic Scheme with a vesting period of 3 years and an Accelerated Scheme with a vesting period of 4 years. For the Basic Scheme, the exercise price per share option having vested corresponds to the share price current at grant. For the Accelerated Scheme, the exercise price per share option having vested corresponds to 140% of the share price current at grant. For both schemes, options may vest subject to realising a specific target for EBITDA before special items by the end of the financial year immediately preceding the end of the vesting period and subject to continued employment and retained ownership of a specific number of Santa Fe shares.

Subsequent to vesting, the share options may be exercised for a two-year period during open trading windows subject to continued employment and retained ownership of specific number of Santa Fe Group A/S shares. Options having vested, which have not been exercised during the exercise period, will lapse without further notice or compensation. The options vest at the date of publication of the Santa Fe Group's A/S annual report for 2020 and 2021, respectively, and are exercisable from the publication of the annual report for 2019 and 2020 respectively until four weeks after the publication of the annual report for 2019 and 2020. The exercise price of the options is based on the average share price for the Santa Fe Group A/S's shares on the 20 first trading days after the announcement of Santa Fe Group A/S's Annual Report during the year in which the Share Options are granted.

The total cost recognised in the income statement in 2017 was EUR 0.0m after adjustment for expected number of options to ultimately vest.

Additionally, the Board of Directors (Santa Fe Group A/S) decided to grant 36,000 (From this 24,000 have been granted to employees of the company) restricted Santa Fe shares to certain Executives. The restricted shares are subject to a two-year retention period prior to their unconditional release. The total cost recognised in the income statement in 2017 was EUR 0.1m after adjustment for the illiquidity factor during the retention period.

## **Notes (continued)**

### **7 Other interest receivable and similar income**

	<b>2017</b> <b>€000</b>	<b>2016</b> <b>€000</b>
Interest receivable on financial assets at amortised cost	<b>129</b>	34
Total interest receivable and similar income	<b>129</b>	34

Interest receivable and similar income includes income from group undertakings of €129k (2016: €34k).

### **8 Interest payable and similar charges**

	<b>2017</b> <b>€000</b>	<b>2016</b> <b>€000</b>
Interest payable on financial liabilities	<b>(1,427)</b>	(1,278)
Total other interest payable and similar charges	<b>(1,427)</b>	(1,278)

Interest payable and similar charges includes interest payable and similar on bank loans and overdrafts of €685k (2016: €195k). Of the above amount €742k (2016: €1083) was payable to group undertakings.

### **9 Taxation**

**Total tax expense recognised in the profit and loss account, other comprehensive income and equity**

	<b>2017</b> <b>€000</b>	<b>€000</b>	<b>2016</b> <b>€000</b>	<b>€000</b>
<i>Current tax</i>	-	-	-	-
Current tax on income for the period		-		-
Total current tax		-		-

## **Notes (continued)**

### **9 Taxation (continued)**

#### **Reconciliation of effective tax rate**

	<b>2017</b>	2016
	<b>€000</b>	€000
Profit / (loss) for the year	<b>5,765</b>	(21,680)
Total tax expense	-	-
	<hr/>	<hr/>
Loss excluding taxation	<b>5,765</b>	(21,680)
Tax using the UK corporation tax rate of 19.25% (2015: 20.00%)	<b>1,110</b>	(4,335)
Non-deductible expenses	<b>4,593</b>	6,547
Tax exempt revenues	<b>(7,112)</b>	(3,081)
Current year losses for which no deferred tax asset was recognised	<b>1,218</b>	582
Group relief surrendered for nil consideration	<b>191</b>	287
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	-
	<hr/>	<hr/>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

At the balance sheet date the company had unused tax losses of approximately €13.8m (2016: €8.6m), available for offset against certain future profits, on which no deferred tax asset has been recognised as it not expected that there will be sufficient profits in future years to offset tax losses. These tax losses may be carried forward indefinitely.

**Notes** *(continued)*

**10 Tangible fixed assets**

Actual Cost		Computer Equipment	Office Fixture & Fitting	Servers	Other Equipment	Total
Bal B/F	1st January 2017	354	-	-	-	354
Additions		-	147	-	-	147
Transfer of Asset 2017		4	-	3	367	374
<b>Bal C/F</b>	<b>31-Dec-17</b>	<b>358</b>	<b>147</b>	<b>3</b>	<b>367</b>	<b>875</b>
<b>Depreciation</b>						
Bal B/F	1st January 2017	(35)	-	-	-	(35)
Transfer of Dep in 2017		-	-	-	-	-
Depreciation Charge		(45)	(31)	(2)	(168)	(246)
<b>Bal C/F</b>	<b>31-Dec-17</b>	<b>(80)</b>	<b>(31)</b>	<b>(2)</b>	<b>(168)</b>	<b>(281)</b>
<b>NBV</b>	<b>31-Dec-17</b>	<b>278</b>	<b>116</b>	<b>1</b>	<b>199</b>	<b>594</b>
	<b>31-Dec-16</b>	<b>319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>319</b>

On 1 January 2017, the fixed assets previously held by Santa Fe Europe Limited were transferred into this company.

**Notes** *(continued)*

**11 Intangible fixed assets**

	<b>Software Development €000</b>	<b>Total €000</b>
<b>Cost</b>		
Balance at 1 January 2017	3,876	3,876
Additions	5,041	5,041
	<hr/>	<hr/>
Balance at 31 December 2017	8,917	8,917
	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation and impairment</b>		
Balance at 1 January 2017	-	-
Depreciation charge for the year	(1,110)	(1,110)
	<hr/>	<hr/>
Balance at 31 December 2017	(1,110)	(1,110)
	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>		
At 31 December 2016	3,876	3,876
	<hr/> <hr/>	<hr/> <hr/>
<b>At 31 December 2017</b>	<b>7,807</b>	<b>7,807</b>
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 12 Investments held as fixed assets

<b>Cost</b>	<b>Shares in subsidiary undertaking €'000</b>
At 1 January 2017 and 31 December 2017	<b>119,663</b>

The following entities were subsidiary undertakings at the end of the year:

	Country of incorporation or registration	Proportion of ordinary share capital held	Registered office address	Nature of business
Santa Fe Europe Limited	England & Wales	100%	Central Way Park Royal NW10 7XW	Holding company
Santa Fe Holdings Limited	Hong Kong	100%	18/F CC Wu Building Hennessy Road HK	Holding Company
Alfa Relocation Management A/S	Denmark	50%	East Asiatic House 20 Indiakaj Copenhagen	Relocation services
Santa Fe Holdings Australia Pty. Ltd	Australia	100%	26-40 Nina Link Dandenong South Australia 3175	Relocation services
Santa Fe Group Americas Inc.	USA	100%	1001 South Dairy Ashford Houston TX77077 USA	Relocation services
Santa Fe Group Latinamerica Servicios Ltda	Brazil	100%	DIBD OMIB Consultoria Rua Richuelo 460 Sau Paulo Brazil	Relocation services
Santa Fe Relocation Services (Pty) Ltd	South Africa	100%	112 Oxford Road Houghton Estate Johannesburg	Relocation services

## **Notes (continued)**

### **12 Investments held as fixed assets (continued)**

The directors review the carrying value of investments annually, in accordance with the provisions of FRS 102. The directors have compared the carrying value of investments to the value in use which has been determined using a discounted cash flow forecast up to 2020. The directors consider this period appropriate given the current trends in the industry. The directors have concluded that, as at 31 December 2017, the carrying value of the other investments held is lower than their recoverable amounts and therefore no additional provision for impairment is required.

### **13 Debtors**

	<b>2017</b>	2016
	<b>€000</b>	€000
Amounts owed by group undertakings in which the company has a participating interest	-	7,816
Other debtors	<b>1,043</b>	928
	<hr/> <b>1,043</b> <hr/>	<hr/> 8,744 <hr/>

Other debtors include prepayments and accrued income of €125k (2016: €212k)

### **14 Creditors: amounts falling due within one year**

	<b>2017</b>	2016
	<b>€000</b>	€000
Trade Creditors	(3,178)	(790)
Other creditors	(3,553)	(28)
Accruals and deferred income	(462)	(868)
Amounts owed to group undertakings in which the company has a participating interest	(11,826)	(76,257)
Bank Loan	(21,604)	(9,000)
	<hr/> <b>(40,623)</b> <hr/>	<hr/> (86,943) <hr/>

### **15 Creditors: amounts falling due more than one year**

	<b>2017</b>	2016
	<b>€000</b>	€000
Bank loans	-	(21,147)
	<hr/> - <hr/>	<hr/> (21,147) <hr/>

The Long term loan to HSBC bank has been reclassified as creditors due within one year as the covenants had been breached as at 31 December 2017.

## Notes (continued)

### 16 Capital and reserves

#### Share capital

	2017 €000	2016 €000
<b>Allotted, called up and fully paid</b>		
160,376,436 Ordinary shares of €1.19 each	<b>172,123</b>	127,123
	<hr/>	<hr/>
	<b>172,123</b>	127,123
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company

During the year, share capital increased by €45,000,000 due to waiver of an intercompany amount previously payable to the parent company.

### 17 Ultimate parent company and parent company of larger group

The immediate and ultimate parent company of Santa Fe Group Limited is Santa Fe Group A/S a company incorporated and registered in Denmark and quoted on the Danish stock market. The only group in which the results of the company are consolidated is Santa Fe Group A/S.

Copies of the financial statements of Santa Fe Group A/S are available from the registered office of Santa Fe Group Limited.

The directors believe that ultimate control of Santa Fe Group A/S, as defined by FRS 102 is not exercised by an individual person or persons acting in concert.

The company has taken advantage of the exemption under FRS 102.33.1A not to disclose details of transactions with other wholly owned subsidiaries and the parent company of the same group.

### 18. Subsequent events

On 27th February 2018 Santa Fe Group agreed terms with Proventus Capital Partners on a €40m loan, subject to customary conditions being satisfied, which will refinance the existing facilities during Q1 2018. The facility is a combined €30m six years Senior Secured Unitranche Loan and a short term €10m credit facility. Terms and conditions are as customary for such loans. The loan does not require any mandatory instalments. Santa Fe Group has options to repay up to €11m of the Senior Secured Unitranche Loan without penalty under certain conditions. The loan facility can be fully prepaid after 3 years & 9 months after the closing date against prescribed prepayment fees.