

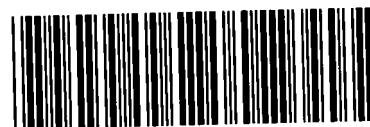
Registered number: 10481022

FTI CONSULTING FINLAND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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FTI CONSULTING FINLAND LIMITED

COMPANY INFORMATION

Directors

Ronald E. Reno
Jeffrey Gabriel (resigned 30 April 2019)
Curtis Lu (appointed 30 April 2019)
Jared Dunkin (appointed 30 April 2019)

Registered number

10481022

Registered office

200 Aldersgate
Aldersgate Street
London
EC1A 4HD

Independent auditors

KPMG LLP
15 Canada Square
London
E14 5GL

FTI CONSULTING FINLAND LIMITED

CONTENTS

	Page
Directors' Report	1-3
Directors' Responsibilities Statement	4
Independent Auditors' Report to the members of FTI Consulting Finland Limited	5-7
Statement of Profit and Loss and Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10-11
Notes to the Financial Statements	12-26

FTI CONSULTING FINLAND 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.

Principal activity

The company was incorporated on 16 November 2016 and commenced trading in February 2017.

The principal activity of the Company is to provide consultancy services.

Results and dividends

The loss for the year, after taxation, amounted to €69,642 (2017: loss €129,875).

The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

Ronald E. Reno

Jeffrey Gabriel (resigned 30 April 2019)

Political contributions

The Company made no disclosable political donations or incurred any disclosable political expenditure during the year (2017: €NIL).

FTI CONSULTING FINLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Principal risks and uncertainties

The Company has processes in place to actively identify, manage and mitigate risks which may arise from significant competitive changes in the market impacting the Company's practice offerings or services or other changes in economic, monetary conditions beyond the Company's control which may impact revenues or profitability.

The UK's decision to leave the European Union has created a certain degree of uncertainty, however until further clarity is known regarding the terms of the exit, it is too early for the Directors to assess the impact of such an event.

Going concern

Notwithstanding net current liabilities of €206,671 (2017: €131,137) as at 31 December 2018, a loss for the year then ended of €69,642 (2017: €129,875), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, FTI Consulting Inc., to meet its liabilities as they fall due for that period.

Those forecasts are dependent on FTI Consulting Inc. not seeking repayment of the amounts currently due to the group, which at 31 December 2018 amounted to €774,839 (2017: €566,834), and providing additional financial support during that period. FTI Consulting Inc. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Strategic report

The directors have taken advantage of the small companies exemption available under the Companies Act 2006 and will not present a Strategic Report.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

FTI CONSULTING FINLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.



Ronald E. Reno
Director

Date: 30 August 2019

Registered office address: 200 Aldersgate, Aldersgate Street, London, EC1A 4HD
Registered number: 10481022

FTI CONSULTING FINLAND LIMITED

**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 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 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;
- 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 FTI CONSULTING FINLAND LIMITED

Opinion

We have audited the financial statements of FTI Consulting Finland Limited ("the company") for the year ended 31 December 2018 which comprise of the Statement of profit and loss and other comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 2.

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 loss 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of unbilled revenue, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FTI CONSULTING FINLAND LIMITED (CONTINUED)

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FTI CONSULTING FINLAND LIMITED (CONTINUED)

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

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.

Mike Woodward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

3 September 2019

FTI CONSULTING FINLAND LIMITED

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 €	2017 €
Turnover	4	813,390	214,728
Cost of sales		(773,987)	(256,877)
Gross profit/(loss)		39,403	(42,149)
Administrative expenses		(110,373)	(85,590)
Operating loss	5	(70,970)	(127,739)
Interest receivable and similar income		1,328	
Interest payable and expenses			(2,136)
Loss before tax		(69,642)	(129,875)
Tax on loss	10		
Loss for the financial year		(69,642)	(129,875)

The company started trading in February 2017, therefore the prior period is only 11 months. The results for the year arose from continuing operations.

There was no other comprehensive income for 2018 (2017: €NIL).

The notes on pages 12 to 26 form part of these financial statements.

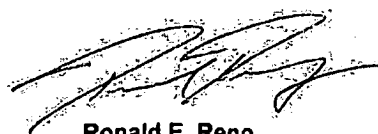
FTI CONSULTING FINLAND LIMITED
REGISTERED NUMBER: 10481022

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 €	2017 €
Fixed assets			
Tangible assets	11	7,155	1,263
		<u>7,155</u>	<u>1,263</u>
Current assets			
Debtors: amounts falling due after more than one year	12	12,500	62,500
Debtors: amounts falling due within one year	12	548,386	304,903
Cash at bank and in hand	13	139,246	157,033
		<u>700,132</u>	<u>524,436</u>
Creditors: amounts falling due within one year	14	(906,803)	(655,573)
Net current liabilities		<u>(206,671)</u>	<u>(131,137)</u>
Total assets less current liabilities		<u>(199,516)</u>	<u>(129,874)</u>
Net liabilities		<u>(199,516)</u>	<u>(129,874)</u>
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account		(199,517)	(129,875)
		<u>(199,516)</u>	<u>(129,874)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Ronald E. Reno
 Director

Date: 30 August 2019

The notes on pages 12 to 26 form part of these financial statements.

Company number 10481022

ETI CONSULTING FINLAND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	€	€	€
At 1 January 2018	1	(129,875)	(129,874)
Comprehensive income for the year			
Loss for the year		(69,642)	(69,642)
At 31 December 2018	1	(199,517)	(199,516)

The notes on pages 12 to 26 form part of these financial statements.

FTI CONSULTING FINLAND LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	€	€	€
Comprehensive income for the period			
Loss for the period		(129,875)	(129,875)
Shares issued during the period	1	-	1
At 31 December 2017	1	(129,875)	(129,874)

The notes on pages 12 to 26 form part of these financial statements.

FTI CONSULTING FINLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

FTI Consulting Finland Limited (the "Company") is a private company incorporated and registered in England and Wales in the UK. The registered number is 10481022 and the registered address is 200 Aldersgate, Aldersgate Street, London, EC1A 4HD.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional and presentation currency of these financial statements is the Euro.

The Company's ultimate parent undertaking, FTI Consulting Inc., includes the Company in its consolidated financial statements. The consolidated financial statements of FTI Consulting Inc. are prepared in accordance with US GAAP and are available to the public; they may be obtained from the corporate secretary, 6300 Blair Hill Lane, Suite 303, Baltimore, MD 21209.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of FTI Consulting Inc. include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies

2.1 Going concern

Notwithstanding net current liabilities of €206,671 (2017: €131,137) as at 31 December 2018, a loss for the year then ended of €69,642 (2017: €129,875), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, FTI Consulting Inc., to meet its liabilities as they fall due for that period.

Those forecasts are dependent on FTI Consulting Inc. not seeking repayment of the amounts currently due to the group, which at 31 December 2018 amounted to €774,839 (2017: €566,834), and providing additional financial support during that period. FTI Consulting Inc. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.2 Revenue recognition

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.

Revenue is generated by the provision of professional services to clients. Turnover comprises of the total amounts billed to external clients under three main types of billing arrangements: time and expense, fixed fee and performance based. Turnover is stated exclusive of VAT.

Time and expense billing arrangements require the client to pay based on the number of hours worked by revenue generating professionals at contractually agreed upon rates. Revenue is recognised based on professional services rendered under time and expense engagements based on the hours incurred at agreed upon rates as work is performed. In some cases, time and expense arrangements are subject to a cap, in which case the work is assessed on a periodic basis to ensure that the cap has not been exceeded.

In fixed fee billing arrangements, fees are pre established in exchange for a pre determined set of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

professional services. Generally, the client agrees to pay a fixed fee every month over the specified contract term. These contracts are for varying periods and generally permit the client to cancel the contract before the end of the term. Revenue is recognised for professional services rendered under these fixed fee billing arrangements monthly over the specified contract term or, in certain cases, revenue is recognised on the percentage of completion method of accounting based on the ratio of labour hours incurred to estimated total labour hours, which is considered to be the best available indicator of the pattern and timing in which such contract obligations are fulfilled.

In performance based or contingent billing arrangements, fees are tied to the attainment of contractually defined objectives. Often this type of arrangement supplements a time and expense or fixed fee engagement, where payment of a performance based fee is deferred until the conclusion of the matter or upon the achievement of performance based criteria. Revenue is not recognised under performance based billing arrangements until all related performance criteria are met and collection of the fee is reasonably assured.

Reimbursable expenses, including those relating to travel, out of pocket expenses, outside consultants and other similar costs, are generally included in turnover, and an equivalent amount of reimbursable expense is included in costs of sales in the period in which the expense is incurred.

Revenues recognised, but not yet billed to clients, have been recorded as "Amounts recoverable on contracts" and included within "Debtors" in the Balance Sheet.

2.3 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.4 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.

The estimated useful lives range as follows:

Computer equipment	3 Years
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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.

2.5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****2. Accounting policies (continued)****2.5 Financial instruments (continued)**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****2. Accounting policies (continued)****2.7 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.

2.8 Basic financial instruments**Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are not included as a component of cash and cash equivalents.

FTI CONSULTING FINLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2.10 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.

2.11 Measurement convention

The financial statements are prepared on the historical cost basis.

2.12 Amounts recoverable on unbilled receivables

Amounts recoverable on long term contracts represents the gross unbilled amount for contract work performed to date and is measured at the lower of cost and net realisable value, less a provision for foreseeable losses and progress billings to date.

Amounts recoverable on unbilled receivables is presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

2.13 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

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

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. Foreign currency gains and losses are reported on a net basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Judgments in applying accounting policies 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 recognised by the Company. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revisions affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Revenue recognition

Revenue from work undertaken by the Group is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will arise from that work. Judgement is applied in estimating the expected future recoverable value of the revenue that remains unbilled at the statement of financial position date. This judgement is based on relevant facts and is supported by historical data and analysis applicable to the relevant work type. As at 31st December 2018 the Company recognised €327,961 (2017: €4,620) of unbilled revenue in debtors as 'unbilled receivables'.

FTI CONSULTING FINLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Turnover

The whole of the turnover is attributable to the principal activity only.

Breakdown of turnover by country of destination:

	2018 €	2017 €
Finland	334,485	99,094
Rest of Europe	477,357	115,634
Rest of the world	1,548	-
	<u>813,390</u>	<u>214,728</u>

5. Auditor remuneration

The 2018 Auditor's remuneration was paid for by FTI UK Holdings Ltd. The expense of €10,747 (2017: €9,230) is included in the Profit and Loss and Other Comprehensive Income Statement of FTI UK Holdings Ltd.

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Consultant	4	1
Directors	2	2
	<u>6</u>	<u>3</u>

	2018 €	2017 €
Wages and salaries	430,771	180,805
National insurance	69,671	17,104
	<u>500,442</u>	<u>197,909</u>

The directors do not receive remuneration in respect of their role as directors of the Company. The staff costs of the consultant are recognised within cost of sales.

The company is recharged for the time worked by other group company employees on FTI Consulting Finland Limited. These amounts are presented within cost of sales.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Directors' remuneration

The directors' duties as directors of the Company are incidental to their employment with FTI Consulting Inc., the ultimate parent company. As such, the directors do not receive remuneration in respect of their role as directors of the Company. The amount attributable for services provided to the Company in the year is €NIL (2017: €NIL).

8. Interest receivable

	2018	2017
	€	€
Other interest receivable	1,328	-
	<u>1,328</u>	<u>-</u>

9. Interest payable and similar expenses

	2018	2017
	€	€
Other loan interest payable	-	2,136
	<u>-</u>	<u>2,136</u>

FTI CONSULTING FINLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Taxation

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 €	2017 €
Loss on ordinary activities before tax	<u>(69,642)</u>	<u>(129,875)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(13,232)	(25,001)
Effects of:		
Client entertainment	334	181
Group relief surrendered for no consideration	12,898	24,820
Total tax charge for the year/period	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The main rate of corporation tax in the UK fell from 20% to 19% as of 1 April 2017. The current year tax rate is 19% (2017: 19.25%).

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were 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. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Tangible fixed assets

	Computer equipment €
Cost or valuation	
At 1 January 2018	1,645
Additions	7,899
At 31 December 2018	9,544
Depreciation	
At 1 January 2018	382
Charge for the year on owned assets	2,007
At 31 December 2018	2,389
Net book value	
At 31 December 2018	7,155
At 31 December 2017	1,263

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Debtors

	2018 €	2017 €
Due after more than one year		
Other debtors	12,500	62,500
	<u>12,500</u>	<u>62,500</u>
Due within one year		
Trade debtors	97,217	228,171
Amounts owed by group undertakings	71,993	
Other debtors	50,000	64,186
Prepayments and accrued income	1,215	7,926
Amounts recoverable on unbilled receivables	327,961	4,620
	<u>548,386</u>	<u>304,903</u>

Amounts owed by group undertakings are not interest bearing or repayable on demand.

13. Cash and cash equivalents

	2018 €	2017 €
Cash at bank and in hand	139,246	157,033
	<u>139,246</u>	<u>157,033</u>

FTI CONSULTING FINLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Creditors: Amounts falling due within one year

	2018	2017
	€	€
Trade creditors	18,149	-
Amounts owed to group undertakings	774,839	566,834
Other taxation and social security	62,714	76,621
Other creditors	8,267	2,888
Accruals and deferred income	42,834	9,230
	906,803	655,573

Amounts owed to group undertakings are not interest bearing or repayable on demand.

15. Share capital

	2018	2017
	€	€
Authorised, allotted, called up and fully paid		
1 (2017: 1) Ordinary share of €1.00 each	1	1

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

16. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	€	€
Not later than 1 year	30,021	21,198
	30,021	21,198

17. Related party transactions

The company has taken advantage of the exemption under FRS102.33.1A and does not disclose transactions between wholly owned subsidiaries and their parents.

The other related party transactions relate to FTI Consulting LLP. For the year ended 31 December 2018, creditors outstanding were €429,135 (2017: €467,283). Income received was €38,148 (2017: €Nil).

FTI CONSULTING FINLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Ultimate parent company and parent company or larger group

The immediate parent undertaking is FTI UK Holdings Ltd, a company incorporated in England and Wales.

The Company is a subsidiary of FTI Consulting Inc., in which the results of the company are consolidated. The consolidated accounts of this company may be obtained from the corporate secretary, 6300 Blair Hill Lane, Suite 303, Baltimore, MD 21209. No other group accounts include the results of the company.