

Ejendomsselskabet Strandpromenaden A/S

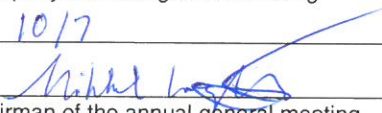
Strandpromenaden 2
DK-8700 Horsens

CVR no. 12 89 57 04

Annual report 2016/17

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

on 10/7 20 17


chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial statements 1 May 2016 – 30 April 2017	7
Income statement	7
Balance sheet	8
Notes	9

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ejendomsselskabet Strandpromenaden A/S for the financial year 1 May 2016 – 30 April 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 April 2017 and of the results of the Company's operations for the financial year 1 May 2016 – 30 April 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Horsens, 10 July 2017

Executive Board:



Henrik Karup
Jørgensen

Board of Directors:



Anders Jacob Gad
Thstrup
Chairman



Henrik Karup
Jørgensen



Steen Agerbo Bødtker



Independent auditor's report

To the shareholders of Ejendomsselskabet Strandpromenaden A/S

Opinion

We have audited the financial statements of Ejendomsselskabet Strandpromenaden A/S for the financial year 1 May 2016 – 30 April 2017, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 April 2017 and of the results of the Company's operations for the financial year 1 May 2016 – 30 April 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view



Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 10 July 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Steffen S. Hansen
State Authorised
Public Accountant



Mikkel Trabjerg Knudsen
State Authorised
Public Accountant

Ejendomsselskabet Strandpromenaden A/S
Annual report 2016/17
CVR no. 12 89 57 04

Management's review

Company details

Ejendomsselskabet Strandpromenaden A/S
Strandpromenaden 2
DK-8700 Horsens

CVR no.: 12 89 57 04
Established: 2 March 1989
Registered office: Horsens
Financial year: 1 May 2016 – 30 April 2017

Principal activities

The Company's activities consists of holding and letting out real property.

Board of Directors

Anders Jacob Gad Thostrup, Chairman
Henrik Karup Jørgensen
Steen Agerbo Bødtker

Executive Board

Henrik Karup Jørgensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 18
DK-9000 Aalborg

Financial statements 1 May 2016 – 30 April 2017

Income statement

DKK	Note	2016/17	2015/16
Gross profit		1,089,191	1,100,765
Depreciation of property, plant and equipment		-114,199	-119,682
Operating profit		974,992	981,083
Financial income from group entities		63,983	121,182
Financial expenses	2	-627	-992
Profit before tax		1,038,348	1,101,273
Tax on profit for the year	3	-228,436	-242,280
Profit for the year		<u>809,912</u>	<u>858,993</u>
Proposed profit appropriation			
Retained earnings		<u>809,912</u>	<u>858,993</u>

Financial statements 1 May 2016 – 30 April 2017

Balance sheet

DKK	Note	2016/17	2015/16
ASSETS			
Property, plant and equipment	4		
Land and buildings		753,885	868,084
Total fixed assets		<u>753,885</u>	<u>868,084</u>
Current assets			
Receivables			
Receivables from group entities		4,918,990	3,508,065
Other receivables		0	5,408
		<u>4,918,990</u>	<u>3,513,473</u>
Cash at bank and in hand		0	11,728
Total current assets		<u>4,918,990</u>	<u>3,525,201</u>
TOTAL ASSETS		<u>5,672,875</u>	<u>4,393,285</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		500,000	500,000
Retained earnings		4,210,655	3,400,743
Total equity		<u>4,710,655</u>	<u>3,900,743</u>
Current liabilities			
Mortgage debt		169,221	0
Corporation tax		720,979	492,542
Other payables		72,020	0
		<u>962,220</u>	<u>492,542</u>
Total liabilities		<u>962,220</u>	<u>492,542</u>
TOTAL EQUITY AND LIABILITIES		<u>5,672,875</u>	<u>4,393,285</u>

Financial statements 1 May 2016 – 30 April 2017

Notes

1 Accounting policies

The annual report of Ejendomsselskabet Strandpromenaden A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or on the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Revenue

Revenue from renting is recognised in the income statement when delivery and transfer of risk to the buyer have taken place before year end.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation of and impairment losses on property.

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 comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is jointly taxed with its Danish Group entities. The tax effect of the joint taxation is allocated to Danish entities in proportion to their taxable income.

Financial statements 1 May 2016 – 30 April 2017

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Buildings are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	25 years
-----------	----------

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Receivables

Receivables are measured at amortised cost, which substantially corresponds to nominal value.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 May 2016 – 30 April 2017

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Financial statements 1 May 2016 – 30 April 2017

Notes

DKK	2016/17	2015/16
2 Financial expenses		
Other interest expenses	627	992
3 Tax on profit for the year		
Current tax for the year (joint taxation)	228,436	242,280
4 Property, plant and equipment		
DKK		Buildings
Cost at 1 May 2016		2,992,040
Cost at 30 April 2017		2,992,040
Impairment losses and depreciation at 1 May 2016		2,123,956
Depreciation for the year		114,199
Impairment losses and depreciation at 30 April 2017		2,238,155
Carrying amount at 30 April 2017		753,885
Depreciated over		25 years
5 Contractual obligations, contingencies, etc.		

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income, etc. Total corporation tax is disclosed in the annual report of Nopa Nordic A/S, which is the administrative company for the joint taxation. The Group's jointly taxed Danish entities are also jointly and severally liable for Danish tax sources in the form of dividend tax and interest tax.

Financial statements 1 May 2016 – 30 April 2017

Notes

6 Related parties

Ejendomsselskabet Strandpromenaden A/S is part of the consolidated financial statements of Nopa Nordic A/S, Havrevænget 13, DK-9500 Hobro, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Nopa Nordic A/S can be obtained from the Company.

Related party transactions

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

7 Events after the balance sheet date

The Company has sold land and buildings after the balance sheet date.

Apart from this, no material events of importance to the financial statements have occurred after to the balance sheet date.