

# EJENDOMSSELSKABET GOTHERSGADE 55 APS

## Annual Report 2015

CVR No.: 13916497

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# Management's review

## **MAIN ACTIVITY**

The Company's main activity is renting of property. The property is fully rented on a long term contract.

## **DEVELOPMENT IN ACTIVITIES AND FINANCIAL MATTERS**

Revenue amounts to DKK 17.7 million (DKK 17.7 million in 2014). Operating profit before net financials amounts to DKK 13.8 million (DKK 14.0 million in 2014).

Profit before tax is DKK 11.0 million (DKK 13.0 million in 2014).

## **OUTLOOK**

The company expects a profit before tax for 2016 in line with 2015.

## **EVENTS AFTER THE BALANCE SHEET DATE**

No changes after the balance sheet date impacting the financial position at 31 December 2015.

# Statement by the Board of Directors and Management Board

The Board of Directors and Management Board have today discussed and approved the annual report of Ejendomsselskabet Gothersgade 55 ApS for the financial year 1 January - 31 December 2015.

The financial statements have 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 financial position

at 31 December 2015, and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Furthermore, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters and the results of the Company's operations and financial position.

Copenhagen, 14 March 2016

## MANAGEMENT BOARD:

Hans J. Carstensen

## BOARD OF DIRECTORS:

Steen Riisgaard  
Chairman

Lars-Johan Jarnheimer  
Vice Chairman

Steffen Kragh

# Independent Auditors' Report

**TO THE SHAREHOLDER OF EJENDOMSSELSKABET  
GOTHERSGADE 55 APS**

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of Ejendomsselskabet Gothersgade 55 ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### **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.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true

and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

### **OPINION**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

### **STATEMENT ON THE MANAGEMENT'S REVIEW**

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 14 March 2016

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

**Jesper Ridder Olsen**  
State Authorised  
Public Accountant

**Anders Stig Lauritsen**  
State Authorised  
Public Accountant

# Accounting Policies

The financial statements for Ejendomsselskabet Gothersgade 55 ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to entities of reporting class B.

The accounting policies applied in the presentation of the financial statements are consistent with those of the previous year.

## INCOME STATEMENT

### Revenue

Revenue comprise income for the year from the leasing of properties and other income in connection therewith.

### Other external expenses

Other external expenses comprise the property's operating expenses and miscellaneous administrative expenses.

### Financial income and expenses

Financial income and expenses comprise interest income and expense as well as surcharges and allowances in the tax prepayment scheme.

### Tax on profit for the year

The Company is assessed jointly for Danish tax purposes with the other domestic entities in the Egmont Group with Egmont International Holding A/S as the administration company of the joint taxation arrangement.

The current tax is allocated through payment of tax contributions between the jointly taxed companies in proportion to their taxable income. In this relation,

companies with tax losses receive contributions from companies that have used these losses to reduce their own taxable profit (full absorption).

Income tax for the year comprises joint taxation contribution and changes in deferred tax, including as a result of changes in tax rates is recognised in the income statement with the portion attributable to the profit and in equity with the portion attributable to items recognised directly in equity.

### Property, plant and equipment

Investment properties are measured initially at cost, which includes the property purchase price and costs directly attributable to the acquisition. Subsequently, investment properties are measured at fair value. Changes in fair value are recognised in the income statement as a fair value adjustment of investment properties in the period in which the change occurs.

### Receivables

Receivables are measured at amortised cost. Provisions are made for bad debts based on an individual assessment.

### Dividends

Proposed dividends are recognised as a liability at the time of adoption at the Annual General Meeting (declaration date). The expected dividend payment for the year is shown as a separate item under equity.

### Current tax payable/receivable and deferred taxes

Payable or receivable joint tax contributions are recognised in the balance sheet as "Joint tax receivable" or "Joint tax payable".

**Accounting policies (continued)**

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.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future earnings or as a set-off against deferred tax liabilities.

**Financial liabilities**

Mortgage loans used to finance investment properties are recognised at the date of borrowing as the fair value of the net proceeds received less transaction costs paid. After initial recognition mortgage loans are measured at fair value through the income statement similar to investment property.

Changes in fair value of the financial liabilities are recognised under financial income/-expenses in the income statement.

Other liabilities are measured at net realisable value.

**Derivative financial instruments**

Derivative financial instruments are measured in the balance sheet at fair value. Changes in the fair value of derivative financial instruments designated as and qualifying as a hedge of changes in future assets or liabilities are recognised in equity. At that time, any gains or losses resulting from such hedged transactions are transferred to the income statement and recognised under the same item as the hedged item.

# Income Statement

(DKKk)

Note		2015	2014
	Revenue	17,686	17,687
	Other external expenses	(3,855)	(3,729)
	<b>Operating profit</b>	<b>13,831</b>	<b>13,958</b>
1	Financial income	884	1,662
2	Financial expenses	(3,748)	(2,621)
	<b>Profit before tax</b>	<b>10,967</b>	<b>12,999</b>
3	Tax on profit for the year	369	370
	<b>Net profit for the year</b>	<b>11,336</b>	<b>13,369</b>
	<b>Distribution of net profit:</b>		
	Proposed dividends	11,883	13,653
	Retained earnings	(547)	(284)
		<b>11,336</b>	<b>13,369</b>



# Statement of Financial Position at 31 December

(DKKk)

Note	Assets	2015	2014
	Investment property	230,000	230,000
4	Property, plant and equipment	230,000	230,000
	<b>Total non-current assets</b>	<b>230,000</b>	<b>230,000</b>
	Trade receivables	6,299	7,811
	Receivables from group enterprises	74,174	209,145
	<b>Receivables</b>	<b>80,473</b>	<b>216,956</b>
	<b>Securities</b>	<b>134,881</b>	<b>0</b>
	Cash and cash equivalents	11	15
	<b>Total current assets</b>	<b>215,365</b>	<b>216,971</b>
	<b>TOTAL ASSETS</b>	<b>445,365</b>	<b>446,971</b>
	<b>Equity and liabilities</b>	<b>2015</b>	<b>2014</b>
	Share capital	41,000	41,000
	Retained earnings	200,582	200,214
	Proposed dividends	11,883	13,653
6	<b>Equity</b>	<b>253,465</b>	<b>254,867</b>
5	Deferred tax	8,121	8,490
	<b>Total provisions</b>	<b>8,121</b>	<b>8,490</b>
	Mortgage debt	167,385	165,778
	Prepayments from customers	8,843	8,843
7	<b>Non-current liabilities</b>	<b>176,228</b>	<b>174,621</b>
	Prepayments from customers	4,422	4,421
	Trade payables	150	453
	Payables to group enterprises	1,708	2,447
	Other payables	1,271	1,672
	<b>Current liabilities</b>	<b>7,551</b>	<b>8,993</b>
	<b>Total liabilities</b>	<b>183,779</b>	<b>183,614</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>445,365</b>	<b>446,971</b>
8	Staff		
9	Contingent liabilities and collateral		
10	Related parties		

<b>1</b>	<b>Financial income</b>	<b>2015</b>	<b>2014</b>
	Interest income, group enterprises	884	1,570
	Other financial income	0	92
	<b>Total</b>	<b>884</b>	<b>1,662</b>

<b>2</b>	<b>Financial expenses</b>	<b>2015</b>	<b>2014</b>
	Interest expenses, group enterprises	(1,039)	(865)
	Other financial expenses	(2,709)	(1,756)
	<b>Total</b>	<b>(3,748)</b>	<b>(2,621)</b>

<b>3</b>	<b>Tax on profit for the year</b>	<b>2015</b>	<b>2014</b>
	Current tax on profit for the year	0	0
	Lowering of corporate tax rate	369	370
	<b>Total</b>	<b>369</b>	<b>370</b>

<b>4</b>	<b>Investment property</b>	<b>2015</b>
	Fair value at 1 January 2015	230,000
	Fair value adjustment	0
	<b>Fair value at 31 December 2015</b>	<b>230,000</b>

Investment property consist of a rental property, under a long term lease with a 24 month term of notice. The fair value is calculated according to the net rental method, and thus the value of the property has been calculated on the basis of its expected operating income (pre-tax return) of about DKK 13 million and a required rate of return of 5.75 %, determined on the basis of the general market level and specific circumstances relating to the property.

If the required rate of return increase or decrease by 0.25 %, the fair value of the investment will be affected by approx DKK 10 million.

The property is pledged as security for the company's mortgage debt.

<b>5</b>	<b>Deferred tax</b>
	Deferred tax relates to investment property.

<b>6</b>	<b>Equity</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Proposed dividends</b>	<b>Total</b>
	Equity at 1 January 2015	41,000	200,214	13,653	254,867
	Paid dividends	0	0	(13,653)	(13,653)
	Value adjustments of hedging instruments	0	915	0	915
	Retained earnings	0	(547)	11,883	11,336
	<b>Equity at 31 December 2015</b>	<b>41,000</b>	<b>200,582</b>	<b>11,883</b>	<b>253,465</b>

41,000 shares per DKK 1,000 constitute the Company's share capital. Share certificates have not been issued. No shares have special rights.

There have not been any movements in the share capital for the past 5 years.

<b>7 Non-current liabilities</b>	<b>2015</b>
Nominal value of mortgage debt	167,436
Fair value adjustment	(51)
<b>Total mortgage debt</b>	<b>167,385</b>
Prepayments from customeres	8,843
<b>Total non-current liabilities</b>	<b>176,228</b>

**Presentation in the balance sheet:**

Non-current liabilities	176,228
Current liabilities	0

The fair value of mortgage debt is calculated based on current market rates for the underlying bonds.

The company has raised mortgage loans, of which nominal DKK 135 million is installment-free until July 2020 and nominal DKK 32 million is installment-free until July 2023.

Remaining debt after 5 years (fair value):	167,385
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**8 Staff**

Besides the management, there are no other employees in the company.  
The management is remunerated by Egmont Fonden.

<b>9 Contingent liabilities and collateral</b>	<b>2015</b>	<b>2014</b>
Security in land and buildings for mortgage loans of group enterprises	664,013	663,802
VAT liability of potential disposal of the investment property	246	359
<b>Total</b>	<b>664,259</b>	<b>664,161</b>

The Company is jointly taxed with Egmont International Holding A/S, which is the company managing the joint taxation. The Company is jointly and severally liable with the other Danish companies in the joint taxation of corporate taxes and withholding taxes on dividends, interest and royalties. The jointly taxed companies' total amount of income tax payable appears in the annual report of the Egmont International Holding A/S. Any subsequent corrections of taxable joint taxation of income or withholding taxes on dividends, interest and royalties could cause the Company's liability to increase.

The Company is involved in a rent case at the Eastern High Court regarding a claim to lower the rent of the lease contract. Management believes that the case will not have any material impact on the operating profit or the financial position of the Company.

**10 Related parties**

The company is 100 % owned by Egmont Fonden, Vognmagergade 11, 1148 Copenhagen K and is a part of the consolidated financial statements of the Egmont Group.