

# DanCenter EDB-Service ApS

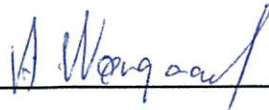
Lyngbyvej 20, 1  
2100 København Ø

CVR no. 14 11 91 91

## Annual report for the period 1 October 2015 – 31 December 2016

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

31 May 2017



\_\_\_\_\_  
chairman

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## 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 DanCenter EDB-Service ApS for the financial period 1 October 2015 – 31 December 2016.

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

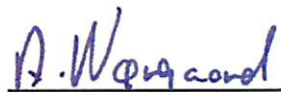
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial period 1 October 2015 – 31 December 2016.

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.

Copenhagen, 31 May 2017

Executive Board:



Asbjørn Nørgaard

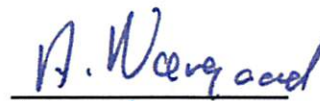
Board of Directors:



Steen Seitner  
Chairman



Kim Holmsted



Asbjørn Nørgaard



## **Independent auditor's report**

**To the shareholder of DanCenter EDB-Service ApS**

### **Opinion**

We have audited the financial statements of DanCenter EDB-Service ApS for the financial period 1 October 2015 – 31 December 2016 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 31 December 2016 and of the results of the Company's operations for the financial period 1 October 2015 – 31 December 2016 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 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.

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



## Independent auditor's report

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.

Copenhagen, 31 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Benny Lyngé Sørensen', is written over a horizontal line.

Benny Lyngé Sørensen  
State Authorised  
Public Accountant

DanCenter EDB-Service ApS  
Annual report 2015/2016  
CVR no. 14 11 91 91

## **Management's review**

### **Company details**

DanCenter EDB-Service ApS  
Lyngbyvej 20, 1  
2100 København Ø

CVR no.:	14 11 91 91
Established:	1 May 1990
Registered office:	Copenhagen
Financial period:	1 October – 31 December

### **Board of Directors**

Steen Seitner, Chairman  
Kim Holmsted  
Asbjørn Nørgaard

### **Executive Board**

Asbjørn Nørgaard

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

### **Annual general meeting**

The annual general meeting will be held on 31 May 2017.

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's principal activity is to provide IT services and related activities to consolidated entities.

#### **Development in activities and financial position**

The profit for the year after tax amounts to DKK 458 thousand compared to DKK 423 thousand in 2014/15.

The profit for the year is considered satisfactory.

#### **Events after the balance sheet date**

No events have occurred since the balance sheet date that change the assessment of the annual report.



## Financial statements 1 October 2015 – 31 December 2016

### Income statement

DKK'000	Note	1 October 2015 – 31 December 2016	1 October 2014 - 30 September 2015
<b>Gross profit</b>		3,672	2,862
Staff costs	2	-734	-679
Depreciation, amortisation and impairment	3	-2,559	-1,953
<b>Operating profit</b>		379	230
Financial income	4	240	291
Financial expenses		-11	-33
<b>Profit before tax</b>		608	488
Tax on profit/loss for the year	5	-150	-65
<b>Profit for the year</b>		458	423
<b>Proposed profit appropriation</b>			
Proposed dividend for the financial period		0	400
Retained earnings		458	23
		458	423

## Financial statements 1 October 2015 – 31 December 2016

### Balance sheet

DKK'000	Note	31 December 2016	30 September 2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	6		
Software		<u>2,695</u>	<u>3,276</u>
		<u>2,695</u>	<u>3,276</u>
<b>Property, plant and equipment</b>	7		
Plant and machinery		1,792	2,893
Fixtures and fittings, tools and equipment		<u>28</u>	<u>47</u>
		<u>1,820</u>	<u>2,940</u>
<b>Total fixed assets</b>		<u>4,515</u>	<u>6,216</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		8,568	6,648
Other receivables		0	184
Corporation tax		0	162
Prepayments		<u>1,026</u>	<u>1,714</u>
		<u>9,594</u>	<u>8,708</u>
<b>Total current assets</b>		<u>9,594</u>	<u>8,708</u>
<b>TOTAL ASSETS</b>		<u>14,109</u>	<u>14,924</u>

## Financial statements 1 October 2015 – 31 December 2016

### Balance sheet

DKK'000	Note	31 December 2016	30 September 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	8		
Share capital		600	600
Proposed dividends for the year		0	400
Retained earnings		12,576	12,119
<b>Total equity</b>		<u>13,176</u>	<u>13,119</u>
<b>Provisions</b>			
Provisions for deferred tax		433	499
<b>Total provisions</b>		<u>433</u>	<u>499</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities	9	0	719
Trade payables		33	127
Joint taxation		216	0
Other payables		251	460
		<u>500</u>	<u>1,306</u>
<b>Total liabilities other than provisions</b>		<u>500</u>	<u>1,306</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>14,109</u>	<u>14,924</u>
Contractual obligations, contingencies, etc.	10		
Related party disclosures	11		

## Financial statements 1 October 2015 – 31 December 2016

### Notes

#### 1 Accounting policies

The annual report of DanCenter EDB-Service ApS for 2015/16 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

#### Measurement and recognition

Income is recognised in the income statement as earned, including adjustments of financial assets and liabilities. Moreover, all costs, including amortisation, depreciation and impairment losses, are recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual accounting item below.

Certain financial assets and liabilities are measured at amortised cost, and thus, constant effective interest is recognised over the term. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference

## Financial statements 1 October 2015 – 31 December 2016

### Notes

#### 1 Accounting policies (continued)

between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Revenue is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is determined ex. VAT, duties, etc., charged on behalf of third parties and is measured at the fair value of the consideration received or receivable.

#### Other external costs

Other external costs comprise distribution costs and costs related to administration, office premises, operating leases, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

## Financial statements 1 October 2015 – 31 December 2016

### Notes

#### 1 Accounting policies (continued)

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation 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, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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:

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	5 years
Fixtures and fittings, tools and equipment	5 years

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

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.

## Financial statements 1 October 2015 – 31 December 2016

### Notes

#### 1 Accounting policies (continued)

##### Leases

On initial recognition, leases for non-current assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other non-current assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

##### Impairment of fixed assets

The carrying amount of intangible assets and plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial

## Financial statements 1 October 2015 – 31 December 2016

### Notes

#### 1 Accounting policies (continued)

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### 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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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.

#### Equity

##### *Dividend*

The expected dividend payment for the year is disclosed as a separate item under equity.

#### Liabilities other than provisions

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.



## Financial statements 1 October 2015 – 31 December 2016

### Notes

<b>2 Staff costs</b>		
DKK'000	1 October 2015 – 31 December 2016	1 October 2014 - 30 September 2015
Wages and salaries	712	543
Pensions	4	4
Other social security costs	18	132
	<u>734</u>	<u>679</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
<b>3 Depreciation, amortisation and impairment</b>		
Intangible assets	1,395	916
Property, plant and equipment	1,164	1,037
	<u>2,559</u>	<u>1,953</u>
<b>4 Financial income</b>		
Interest income from group entities	240	291
	<u>240</u>	<u>291</u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	216	-162
Adjustment of deferred tax for the year	-66	227
	<u>150</u>	<u>65</u>
<b>6 Intangible assets</b>		
DKK'000	Software	Total
Cost at 1 October	14,655	14,655
Additions	814	814
Cost at 31 December 2016	15,469	15,469
Amortisation and impairment losses at 1 October 2015	-11,379	-11,379
Foreign exchange adjustments in foreign entities	-1,395	-1,395
Amortisation and impairment losses at 31 December 2016	-12,774	-12,774
<b>Carrying amount at 31 December 2016</b>	<u>2,695</u>	<u>2,695</u>

## Financial statements 1 October 2015 – 31 December 2016

### Notes

#### 7 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 October 2015	9,130	400	9,530
Additions	44	0	44
Cost at 31 December 2016	9,174	400	9,574
Depreciation and impairment losses at 1 October 2015	-6,237	-353	-6,590
Depreciation	-1,145	-19	-1,164
Depreciation and impairment losses at 31 December 2016	-7,382	-372	-7,754
Carrying amount at 31 December 2016	1,792	28	1,820

#### 8 Equity

The share capital consists of 600 shares of a nominal value of DKK 1,000 each.

#### 9 Non-current liabilities other than provisions

DKK'000	1 October 2015 – 31 December 2016	1 October 2014 - 30 September 2015
<b>Leasing obligations:</b>		
Due within a year	0	719
	0	719

#### 10 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Company has several liability for tax on the Group's jointly taxed income and any tax withheld at source.

##### Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 0 thousand (2014/15: DKK 59 thousand).

## Financial statements 1 October 2015 – 31 December 2016

### Notes

#### 11 Related party disclosures

DanCenter EDB-Service ApS' related parties comprise the following:

##### Control

DanCenter A/S holds the majority of the share capital in the Company

DanCenter EDB-Service ApS is part of the consolidated financial statements of Axel Springer SE, Berlin, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Axel Springer SE can be obtained by contacting the Company.

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

Dancenter A/S  
Lyngbyvej 20  
2100 København Ø