

**BT Denmark ApS  
Central Business Registration No  
24221415  
Havnegade 39  
1058 Copenhagen K**

**Annual report 2015/16**

The Annual General Meeting adopted the annual report on

*22 August 2016*

**Chairman of the General Meeting**



Name: Philip Martin Graff

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## Entity details

### Entity

BT Denmark ApS  
Havnegade 39  
1058 Copenhagen K

Central Business Registration No: 24221415

Registered in: Copenhagen

Financial year: 01.04.2015 - 31.03.2016

### Board of Directors

Attila Tamás Szücs  
Wai Ming Teng  
Andrea Giovanni Bono

### Executive Board

Philip Martin Graff  
Martinus Christiaan Maurits

### Lawyer

Bird & Bird Advokatpartnerselskab  
Kalkbrænderiløbskaj 4  
2100 Copenhagen

### Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BT Denmark ApS for the financial year 01.04.2015 - 31.03.2016

The annual report is presented in accordance with the Danish Financial Statements Act

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2016 and of the results of its operations for the financial year 01.04.2015 - 31.03.2016

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 16.08.2016

### Executive Board

  
Philip Martin Graff

  
Martinus Christiaan Maurits

### Board of Directors

  
Attila Tamás Szűcs

  
Wai Ming Teng

  
Andrea Giovanni Bono

## **Independent Auditor's Report**

To the Shareholder of BT Denmark ApS

### **Report on the Financial Statements**

We have audited the Financial Statements of BT Denmark ApS for the financial year 1 April 2015 – 31 March 2016, which comprise income statement, balance sheet, statement of changes in equity, notes and 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 as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 auditor considers 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 audit opinion.

The audit has not resulted in any qualification.

#### **Opinion**

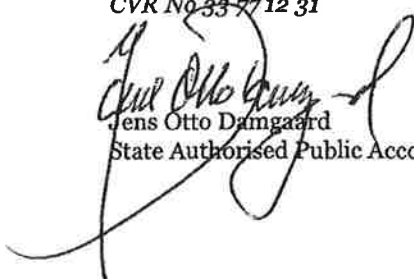
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2016 and of the results of the Company operations for the financial year 1 April 2015 – 31 March 2016 in accordance with the Danish Financial Statements Act.

## Independent Auditor's Report

### Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Copenhagen, 16/8 2016  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31



Jens Otto Damgaard  
State Authorised Public Accountant



Lone Vindbjerg Larsen  
State Authorised Public Accountant

## **Management commentary**

### **Primary activities**

The Company's business in 2015/16 has comprised of offering telecommunication services to major Telecommunication users in the Danish Market.

### **Development in activities and finances**

Turnover has decreased by 12%, from DKK 76.7 mln in 2014/15 to DKK 67.3 mln in 2015/16. The external revenue stream decreased by 12% and the internal revenue decreased by 11% compare to 2014/2015.

Gross profit has decreased from DKK 7.9 mln in 2014/15 to DKK 6.1 mln in 2015/16, a decrease of DKK -1.8 mln, or -22%. The gross margin has decreased from 10.3% in 2014/15 to 9.1% in 2015/16. The retained profit for the year has decreased by -35%, from profit of DKK 3.0 mln in 2014/15 to DKK 2.0 mln in 2015/16, and the profit margin decreased to 2,9% in 2015/16 from 3.9% in 2014/15.

The result of the year is a profit of DKK 2.0 mln, which management finds satisfactory.

The Company has based on expectations to the coming years decided to recognize deferred tax asset amounting to DKK 520 k, based on the value of taxable losses, expected to be utilized within a 3-year period. Should assumptions or expectations to the future change, this could affect the valuation of the tax assets.

BT Denmark has 1 employee on its payroll.

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

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates

### **Income statement**

#### **Gross profit or loss**

Gross profit and loss comprise revenue, changes in inventory of finished goods, other operating income, and external expenses.



## Accounting policies

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

### Other financial income

Other financial income comprise dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including expenses relating to lease activities and losses from the sale of intangible assets and property, plant and equipment.

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance sheet

### Property, plant and equipment

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

## Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	4-7 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Income tax payable or receivable

Aktuelle skatteforpligtelser eller tilgodehavende aktuel skat indregnes i balancen opgjort som beregnet skat af årets skattepligtige indkomst, der er reguleret for betalt acontoskat.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

**Income statement for 2015/16**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
<b>Gross profit</b>		<b>6.118.515</b>	<b>7.884.075</b>
Staff costs	1	(980.312)	(1.910.843)
Depreciation, amortisation and impairment losses		<u>(2.725.108)</u>	<u>(2.564.317)</u>
<b>Operating profit/loss</b>		<b>2.413.095</b>	<b>3.408.915</b>
Other financial income	2	537.044	1.134.034
Other financial expenses	3	<u>(467.822)</u>	<u>(748.173)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>2.482.317</b>	<b>3.794.776</b>
Tax on profit/loss from ordinary activities	4	<u>(503.893)</u>	<u>(757.908)</u>
<b>Profit/loss for the year</b>		<b><u>1.978.424</u></b>	<b><u>3.036.868</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>1.978.424</u>	<u>3.036.868</u>
		<b><u>1.978.424</u></b>	<b><u>3.036.868</u></b>

**Balance sheet at 31.03.2016**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Other fixtures and fittings, tools and equipment		3.925.843	3.714.059
<b>Property, plant and equipment</b>	5	<u>3.925.843</u>	<u>3.714.059</u>
<b>Fixed assets</b>		<u>3.925.843</u>	<u>3.714.059</u>
Trade receivables		11.322.268	11.181.434
Receivables from group enterprises	6	0	2.416.085
Deferred tax assets		520.000	650.000
Other short-term receivables		187.667	304.982
Income tax receivable		49.061	0
Prepayments		9.146.852	6.451.818
<b>Receivables</b>		<u>21.225.848</u>	<u>21.004.319</u>
<b>Cash</b>	7	<u>76.067.487</u>	<u>74.478.929</u>
<b>Current assets</b>		<u>97.293.335</u>	<u>95.483.248</u>
<b>Assets</b>		<u>101.219.178</u>	<u>99.197.307</u>

**Balance sheet at 31.03.2016**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Contributed capital		137.064	137.064
Retained earnings		<u>86.711.479</u>	<u>84.733.055</u>
<b>Equity</b>		<b><u>86.848.543</u></b>	<b><u>84.870.119</u></b>
Trade payables		6.117.002	7.480.414
Debt to group enterprises		2.928.845	1.985.050
Income tax payable		0	312.259
Other payables		579.716	614.803
Deferred income		<u>4.745.072</u>	<u>3.934.662</u>
<b>Current liabilities other than provisions</b>		<b><u>14.370.635</u></b>	<b><u>14.327.188</u></b>
<b>Liabilities other than provisions</b>		<b><u>14.370.635</u></b>	<b><u>14.327.188</u></b>
<b>Equity and liabilities</b>		<b><u>101.219.178</u></b>	<b><u>99.197.307</u></b>
Contingent liabilities	8		
Ownership	9		
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**Statement of changes in equity for 2015/16**

	<b>Contributed capital DKK</b>	<b>Retained ear- nings DKK</b>	<b>Total DKK</b>
Equity beginning of year	137.064	84.733.055	84.870.119
Profit/loss for the year	0	1.978.424	1.978.424
<b>Equity end of year</b>	<b>137.064</b>	<b>86.711.479</b>	<b>86.848.543</b>

## Notes

	<u>2015/16</u> <u>DKK</u>	<u>2014/15</u> <u>DKK</u>
<b>1. Staff costs</b>		
Wages and salaries	857.153	1.770.149
Pension costs	117.749	131.531
Other social security costs	5.410	9.163
	<u>980.312</u>	<u>1.910.843</u>
	<u>2015/16</u> <u>DKK</u>	<u>2014/15</u> <u>DKK</u>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	611.235	1.069.880
Interest income	9.801	4.180
Exchange rate adjustments	(83.992)	59.974
	<u>537.044</u>	<u>1.134.034</u>
	<u>2015/16</u> <u>DKK</u>	<u>2014/15</u> <u>DKK</u>
<b>3. Other financial expenses</b>		
Interest expenses	81.977	87.672
Exchange rate adjustments	385.845	660.501
	<u>467.822</u>	<u>748.173</u>
	<u>2015/16</u> <u>DKK</u>	<u>2014/15</u> <u>DKK</u>
<b>4. Tax on ordinary profit/loss for the year</b>		
Current tax	373.939	633.238
Change in deferred tax for the year	130.000	100.000
Adjustment relating to previous years	(46)	24.670
	<u>503.893</u>	<u>757.908</u>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>
<b>5. Property, plant and equipment</b>	
Cost beginning of year	13.193.360
Additions	2.936.892
Disposals	<u>(6.095.354)</u>
<b>Cost end of year</b>	<b><u>10.034.898</u></b>
Depreciation and impairment losses beginning of the year	(9.479.301)
Depreciation for the year	(2.725.108)
Reversal regarding disposals	<u>6.095.354</u>
<b>Depreciation and impairment losses end of the year</b>	<b><u>(6.109.055)</u></b>
<b>Carrying amount end of year</b>	<b><u>3.925.843</u></b>

## 6. Short-term receivables from group enterprises

Deposit Tudor Minstrel and BT plc:

Loan Facility Agreements have a maximum deposit/draft of totally DKK 250,000,000. The agreements expire on 9 June 2020 and on 30 June 2059.

## 7. Cash and cash equivalents

Cash comprise BT Plc Treasury cash pool.

## 8. Contingent liabilities

There are no contingent liabilities.



## **Notes**

### **9. Ownership**

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

BT Nordics Sweden AB, Box 30005, 104 25 Stockholm, Sweden

### **10. Consolidation**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

British Telecommunications Pls, 81 Newgate street, London, EC1A7AJ, United Kingdom