

DRØMMELAND

Drømmeland A/S

Vadstrupvej 71-73, 2880 Bagsværd

Company reg. no. 24 40 41 10

Annual report

1 June 2015 - 31 May 2016

The annual report have been submitted and approved by the general meeting on the 29 June 2016.



Michael Vinther
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146 940 means the amount of DKK 146.940, and that 23,5 % means 23.5 %.

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Management's report

The board of directors and the managing director have today presented the annual report of Drommeland A/S for the financial year 1 June 2015 to 31 May 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 May 2016 and of the company's results of its activities in the financial year 1 June 2015 to 31 May 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Bagsværd, 29 June 2016

Managing Director



Kim Andreasen

Board of directors



Michael Vinther



John Toftgaard Hansen



Mikkel Vendelin Olesen



Kim Andreasen



Tina Susie Andreasen

The independent auditor's reports

To the shareholder of Drømmeland A/S

Report on the annual accounts

We have audited the annual accounts of Drømmeland A/S for the financial year 1 June 2015 to 31 May 2016, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts 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 about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 May 2016 and of the results of the company's operations for the financial year 1 June 2015 to 31 May 2016 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 further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 29 June 2016

Grant Thornton

Company reg. no. 34 20 99 36


Jan Tønnesen
State Authorised Public Accountant


Claus Koskelin
State Authorised Public Accountant

Company data

The company

Drømmeland A/S
Vadstrupvej 71-73
2880 Bagsværd

Company reg. no. 24 40 41 10
Established: 15 January 1975
Domicile:
Financial year: 1 June - 31 May

Board of directors

Michael Vinther
Mikkel Vendelin Olesen
Tina Susie Andreasen
John Toftgaard Hansen
Kim Andreasen

Managing Director

Kim Andreasen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

K. A. Invest Holding A/S

Financial highlights

DKK in thousands.	2015/16	2014/15	2013/14	2012/13	2011/12
Profit and loss account:					
Gross profit	37.365	28.739	26.464	29.380	30.887
Results from operating activities	11.098	3.907	214	4.368	7.309
Net financials	-357	-484	-196	-1.342	615
Results for the year	8.417	2.561	587	2.270	5.917
Balance sheet:					
Balance sheet sum	72.507	73.218	70.616	68.581	61.801
Investments in tangible fixed assets represent	1.189	3.064	2.291	3.538	1.960
Equity	22.158	16.303	14.329	16.012	16.766
Employees:					
Average number of full time employees	52	51	50	49	44
Key figures in %: *)					
Return on assets	15,2	5,4	0,3	6,7	12,2
Solvency ratio	30,6	22,3	20,3	23,3	27,1
Return on equity	43,8	16,7	3,9	13,9	37,9

*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark. As to definitions, please see the section on accounting policies used.

The company's management has changed the presentation estimates of income that affect the layout of the profit without affecting the result. There is not changed comparative figures for the year 2011/12.

Management's review

The significant activities of the enterprise

The company's activities is as in previous years, retail furniture sales with emphasis on bedroom furniture. The company has 19 specialist bed shops of which 1 is a Auping Plaza mono brand store. The stores are located in Greater Copenhagen, Zealand, Funen and Jutland.

Development in activities and financial affairs

The results from ordinary activities after tax are DKK 8,4m against DKK 2,6m last year. The management consider the results satisfactory.

The expected development

The company expects a positive stable earnings performance in the coming year.

Events subsequent to the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Drømmeland A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The company, with reference to the Danish Financial Statements Act § 86 paragraph. 4 choice not to prepare cash flow statement.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies used

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains and losses on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Accounting policies used

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Acquired rights

Purchased rights is measured at cost with deduction of accumulated amortisation. Acquired rights is amortised on a straight-line basis over the estimated financial life which is 3 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Buildings	50 years
Other plants, operating assets, fixtures and furniture	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Accounting policies used

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or an approximate value for the same is used as the capitalisation rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 10 years.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

Accounting policies used

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with the deduction of completion costs and selling costs, and it is determined by taking negotiability, obsolescence, and the development of the expected market price into consideration.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Drømmeland A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. The estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Accounting policies used

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

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

The key figures

The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark.

The key figures in the survey appear as follows:

Return on assets	$\frac{\text{operating profit} \times 100}{\text{average balance}}$
Solvency ratio	$\frac{\text{Equity} \times 100}{\text{Assets in total}}$
Return on equity	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

Profit and loss account 1 June - 31 May

Amounts concerning 2015/16: DKK.

Amounts concerning 2014/15: DKK in thousands.

<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
Gross profit	37.364.651	28.739
1 Staff costs	-23.751.522	-22.547
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-2.515.410	-2.188
Other operating costs	0	-97
Operating profit	11.097.719	3.907
Other financial income from group enterprises	1.127.112	1.141
Other financial income	301.149	123
Other financial costs	-1.785.384	-1.748
Results before tax	10.740.596	3.423
2 Tax on ordinary results	-2.323.709	-862
Results for the year	8.416.887	2.561
Proposed disposal of the results:		
Dividend for the financial year	8.416.887	2.561
Disposals in total	8.416.887	2.561

Balance sheet 31 May

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Assets		
Fixed assets		
3 Acquired concessions, patents, licenses, trademarks and similar rights	529.947	774
Intangible fixed assets in total	<u>529.947</u>	<u>774</u>
4 Land and property	22.801.107	23.305
5 Other plants, operating assets, and fixtures and furniture	1.763.746	1.576
6 Decoration rented premises	3.762.589	4.342
Tangible fixed assets in total	<u>28.327.442</u>	<u>29.223</u>
Deposits	1.507.983	1.493
Financial fixed assets in total	<u>1.507.983</u>	<u>1.493</u>
Fixed assets in total	<u>30.365.372</u>	<u>31.490</u>
Current assets		
Manufactured goods and trade goods	20.828.652	20.223
Inventories in total	<u>20.828.652</u>	<u>20.223</u>
Trade debtors	82.362	82
Amounts owed by group enterprises	18.981.792	18.607
Other debtors	1.358.720	2.039
7 Accrued income and deferred expenses	864.084	722
Debtors in total	<u>21.286.958</u>	<u>21.450</u>
Cash funds	25.990	55
Current assets in total	<u>42.141.600</u>	<u>41.728</u>
Assets in total	<u>72.506.972</u>	<u>73.218</u>

Balance sheet 31 May

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Liabilities		
Equity		
8 Contributed capital	500.000	500
9 Revaluation reserve	13.241.501	13.242
10 Proposed dividend for the financial year	8.416.887	2.561
Equity in total	<u>22.158.388</u>	<u>16.303</u>
Provisions		
11 Provisions for deferred tax	4.659.520	4.615
Provisions in total	<u>4.659.520</u>	<u>4.615</u>
Liabilities		
12 Mortgage debt	11.490.262	12.677
12 Bank debts	0	2.159
12 Leasing liabilities	780.004	720
Corporate tax	2.279.464	0
Long-term liabilities in total	<u>14.549.730</u>	<u>15.556</u>
12 Short-term part of long-term liabilities	1.494.528	1.848
Bank debts	6.391.428	6.862
Prepayments received from customers	5.565.626	6.473
Trade creditors	11.855.833	16.916
Corporate tax	723.455	733
Other debts	5.108.464	3.912
Short-term liabilities in total	<u>31.139.334</u>	<u>36.744</u>
Liabilities in total	<u>45.689.064</u>	<u>52.300</u>
Equity and liabilities in total	<u>72.506.972</u>	<u>73.218</u>
13 Mortgage and securities		
14 Contingencies		
15 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Revaluation reserve	Proposed dividend for the financial year	In total
Equity 1 June 2015	500.000	13.241.501	586.846	14.328.347
Distributed dividend	0	0	-586.846	-586.846
Dividend for the financial year	0	0	2.560.534	2.560.534
Equity 1 June 2015	500.000	13.241.501	2.560.534	16.302.035
Distributed dividend	0	0	-2.560.534	-2.560.534
Dividend for the financial year	0	0	8.416.887	8.416.887
	500.000	13.241.501	8.416.887	22.158.388

Notes

	<u>2015/16</u>	<u>2014/15</u>
1. Staff costs		
Salaries and wages	20.881.813	20.050
Pension costs	2.334.697	2.000
Other staff costs	535.012	497
	<u>23.751.522</u>	<u>22.547</u>
Average number of employees	<u>52</u>	<u>51</u>
2. Tax on ordinary results		
Tax of the results for the year, parent company	2.279.464	723
Adjustment for the year of deferred tax	44.245	139
	<u>2.323.709</u>	<u>862</u>
3. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 June 2015	1.259.245	762
Additions during the year	236.039	497
Disposals during the year	0	0
Cost 31 May 2016	<u>1.495.284</u>	<u>1.259</u>
Amortisation and writedown 1 June 2015	-484.911	-155
Amortisation for the year	-480.426	-330
Amortisation and writedown 31 May 2016	<u>-965.337</u>	<u>-485</u>
Book value 31 May 2016	<u>529.947</u>	<u>774</u>

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>31/5 2016</u>	<u>31/5 2015</u>
4. Land and property		
Cost 1 June 2015	11.611.790	9.418
Additions during the year	79.051	2.194
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 May 2016	<u>11.690.841</u>	<u>11.612</u>
Revaluation 1 June 2015	<u>18.030.837</u>	<u>18.031</u>
Revaluation 31 May 2016	<u>18.030.837</u>	<u>18.031</u>
Depreciation and writedown 1 June 2015	-6.338.193	-5.912
Depreciation for the year	<u>-582.378</u>	<u>-426</u>
Depreciation and writedown 31 May 2016	<u>-6.920.571</u>	<u>-6.338</u>
Book value 31 May 2016	<u>22.801.107</u>	<u>23.305</u>
The book value of revaluations less depreciations represents an amount of	<u>14.797.076</u>	<u>15.158</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 June 2015	5.221.059	6.128
Additions during the year	933.124	111
Disposals during the year	<u>-364.000</u>	<u>-1.018</u>
Cost 31 May 2016	<u>5.790.183</u>	<u>5.221</u>
Amortisation and writedown 1 June 2015	-3.644.782	-3.473
Depreciation for the year	<u>-643.858</u>	<u>-694</u>
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>262.203</u>	<u>522</u>
Amortisation and writedown 31 May 2016	<u>-4.026.437</u>	<u>-3.645</u>
Book value 31 May 2016	<u>1.763.746</u>	<u>1.576</u>
Leased assets are included with a book value of	<u>1.277.251</u>	<u>535</u>

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>31/5 2016</u>	<u>31/5 2015</u>
6. Decoration rented premises		
Cost 1 June 2015	11.944.118	11.185
Additions during the year	<u>177.261</u>	<u>759</u>
Cost 31 May 2016	<u>12.121.379</u>	<u>11.944</u>
Depreciation and writedown 1 June 2015	-7.601.923	-6.937
Depreciation for the year	<u>-756.867</u>	<u>-665</u>
Depreciation and writedown 31 May 2016	<u>-8.358.790</u>	<u>-7.602</u>
Book value 31 May 2016	<u>3.762.589</u>	<u>4.342</u>
	<u>31/5 2016</u>	<u>31/5 2015</u>
7. Accrued income and deferred expenses		
Accrued income and deferred expenses	<u>864.084</u>	<u>722</u>
	<u>864.084</u>	<u>722</u>

Deferred income consists of prepaid expenses, insurance, etc.. on 2016/17 and later.

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>31/5 2016</u>	<u>31/5 2015</u>
8. Contributed capital		
Contributed capital 1 June 2015	<u>500.000</u>	<u>500</u>
	<u>500.000</u>	<u>500</u>
The share capital consists of 500 A-shares, each with a nominal value of DKK 1.000. No shares hold particular rights.		
There have in the past 5 years been no changes in share capital		
9. Revaluation reserve		
Revaluation reserve 1 June 2015	<u>13.241.501</u>	<u>13.242</u>
	<u>13.241.501</u>	<u>13.242</u>
10. Proposed dividend for the financial year		
Dividend 1 June 2015	2.560.534	587
Distributed dividend	-2.560.534	-587
Dividend for the financial year	<u>8.416.887</u>	<u>2.561</u>
	<u>8.416.887</u>	<u>2.561</u>
11. Provisions for deferred tax		
Provisions for deferred tax 1 June 2015	4.615.275	4.476
Deferred tax of the results for the year	<u>44.245</u>	<u>139</u>
	<u>4.659.520</u>	<u>4.615</u>
The following items are subject to deferred tax:		
Intangible fixed assets	-57.330	-43
Tangible fixed assets	4.740.002	4.682
Financial fixed assets	<u>-23.152</u>	<u>-24</u>
	<u>4.659.520</u>	<u>4.615</u>

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

			<u>31/5 2016</u>	<u>31/5 2015</u>
12. Liabilities				
	Instalments first year	Outstanding debt after 5 years	Debt in total 31 May 2016	Debt in total 31 May 2015
Mortgage debt	1.187.446	5.971.506	12.677.708	13.309
Bank debts	0	0	0	3.250
Leasing liabilities	307.082	0	1.087.086	845
	<u>1.494.528</u>	<u>5.971.506</u>	<u>13.764.794</u>	<u>17.404</u>

13. Mortgage and securities

As security for mortgage debts, tDKK 12.668, mortgage has been granted on land and buildings representing a book value of tDKK 22.801 at 31 May 2016

Security for engagement with the bank's deposited bearer mortgage nominally tDKK 5.000 in property 4N Others Bagsvaerd with a book value of tDKK 22.801.

As security for debt to banks tDKK 350 has been mortgaged and property reservations in other facilities, tools and equipment with a book value of tDKK 487.

For bank debts, tDKK 6.799, the company has provided security in company assets representing a nominal value of tDKK 5.000. This security comprises the below assets, stating the book values:

Aquired rights	tDKK 530
Receivable from sales and services	tDKK 82
Other plants, operating assets, and fixtures and furniture	tDKK 1.764
Decoration rented premises	tDKK 3.763

The company mortgage does not include inventory.

14. Contingencies**Contingent liabilities**

The company has signed leases for 18 leases with annual rent of tDKK 10.230. Rent obligation until termination amounts to a maximum of tDKK 8.793.

Notes

14. Contingencies (continued)

Contingent liabilities (continued)

There is to a third party given rent guarantees via bank totaling tDKK 2.645.

Joint taxation

K.A. Invest Holding A/S being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

15. Related parties

Controlling interest

K.A. Invest Holding A/S c/o Kim Andreasen Søvej 14B 2880 Bagsværd	Majority shareholder
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Other related parties

Michael Vinther, Skovholmvvej 19, 2920 Charlottenlund	Chairman of the board
John Toftgaard Hansen, Tuborg Havnepark 7, 1. th., 2900 Hellerup	Board member
Tina Susie Andreasen, Søvej 14B, 2880 Bagsværd	Board member and Finance Manager
Mikkel Vendelin Olesen, C.F. Richs Vej 50 st., 2000 Frederiksberg C	Board member
Kim Andreasen, Søvej 14B, 2880 Bagsværd	Managing Director and board member

Transactions

All transactions with related parties are made on market terms.