

# GR BRF ApS

Amaliegade 15, 2. sal, 1256 København K

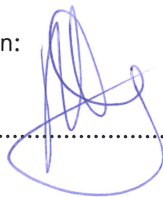
CVR no. 25 59 63 74



## Annual report 2015

Approved at the annual general meeting of shareholders on 11 May 2016

Chairman:



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### Statement by the Board of Directors and the Executive Board

The Executive Board has today discussed and approved the annual report of GR BRF ApS for the financial year 1 January - 31 December 2015.

The annual report is 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.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 11 May 2016  
Executive Board:

  
Mette Krog Hansen  
Robert McCorduck  
Henrik Skriver

## Independent auditors' report on the financial statements

### To the shareholders of GR BRF ApS

We have audited the financial statements of GR BRF ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity 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 regulations. 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.

Odense, 11 May 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Morten Schougaard Sørensen  
State Authorised Public Accountant



## Management's review

Name	GR BRF ApS
Address, Postal code, City	Amaliegade 15, 2. sal, 1256 København K
CVR No.	25 59 63 74
Established	18 December 2013
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Mette Krog Hansen Robert McCorduck Henrik Skriver
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P O Box 200, 5100 Odense C, Denmark

## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK	2015	2014
	<b>Gross profit</b>	4,578,300	3,404,915
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,066,443	-2,965,324
	<b>Operating profit</b>	1,511,857	439,591
	Income from investments in group entities	-1,700,877	-5,026,304
3	Financial income	639,031	308,427
4	Financial expenses	-3,883,554	-4,091,694
	<b>Profit/loss before tax</b>	-3,433,543	-8,369,980
5	Tax for the year	410,993	2,307,099
	<b>Profit/loss for the year</b>	<u>-3,022,550</u>	<u>-6,062,881</u>
	 <b>Proposed profit appropriation/distribution of loss</b>		
	Retained earnings/accumulated loss	<u>-3,022,550</u>	<u>-6,062,881</u>
		<u>-3,022,550</u>	<u>-6,062,881</u>

## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
6	<b>Property, plant and equipment</b>		
	Land and buildings	189,616,096	189,029,565
		<u>189,616,096</u>	<u>189,029,565</u>
7	<b>Investments</b>		
	Investments in group entities, net asset value	25,742,590	27,443,467
	Other receivables	3,284,178	3,199,124
		<u>29,026,768</u>	<u>30,642,591</u>
	<b>Total non-current assets</b>	<u>218,642,864</u>	<u>219,672,156</u>
<b>Current assets</b>			
<b>Receivables</b>			
	Receivables from group entities	12,908,286	9,111,697
	Deferred tax assets	1,646,291	1,454,301
8	Other receivables	451,086	263,719
	Deferred income	56,530	41,380
		<u>15,062,193</u>	<u>10,871,097</u>
	<b>Cash</b>	7,742,511	7,742,706
	<b>Total current assets</b>	<u>22,804,704</u>	<u>18,613,803</u>
	<b>TOTAL ASSETS</b>	<u><u>241,447,568</u></u>	<u><u>238,285,959</u></u>

## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	2014
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
9	Share capital	80,000	80,000
	Retained earnings	79,336,520	82,359,070
	<b>Total equity</b>	<u>79,416,520</u>	<u>82,439,070</u>
	<b>Provisions</b>		
	Other provisions	3,530,700	3,520,318
10	<b>Total provisions</b>	<u>3,530,700</u>	<u>3,520,318</u>
	<b>Liabilities other than provisions</b>		
11	<b>Non-current liabilities other than provisions</b>		
	Mortgage debt	136,042,054	140,212,282
	Other payables	4,713,210	4,237,147
		<u>140,755,264</u>	<u>144,449,429</u>
	<b>Current liabilities other than provisions</b>		
11	<b>Current portion of long-term liabilities</b>		
	Bank debt	3,154,481	1,216,945
	Trade payables	572,532	0
	Payables to group entities	2,185,053	660,736
	Other payables	11,344,712	5,072,921
		488,306	926,540
		<u>17,745,084</u>	<u>7,877,142</u>
	<b>Total liabilities other than provisions</b>	<u>158,500,348</u>	<u>152,326,571</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>241,447,568</u></u>	<u><u>238,285,959</u></u>

- 1 Accounting policies
- 2 The Company's principal activities
- 12 Collateral
- 13 Contractual obligations and contingencies, etc.
- 14 Related parties



**Financial statements for the period 1 January - 31 December****Statement of changes in equity**

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2014	80,000	88,421,951	88,501,951
Profit/loss for the year	0	-6,062,881	-6,062,881
<b>Equity at 1 January 2015</b>	<b>80,000</b>	<b>82,359,070</b>	<b>82,439,070</b>
Profit/loss for the year	0	-3,022,550	-3,022,550
<b>Equity at 31 December 2015</b>	<b>80,000</b>	<b>79,336,520</b>	<b>79,416,520</b>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of GR BRF ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

#### Income statement

##### Revenue

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

##### Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

##### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

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, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	50 years
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Land is not depreciated.

##### Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

##### Financial income and expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses, etc.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Investments in group entities

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

##### Impairment of fixed assets

Property, plant and equipment and investments in subsidiaries are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash and cash equivalents

Cash comprises cash balances and bank balances.

##### Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net 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 the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 2 The Company's principal activities

The Company is primarily engaged in investment in real estate and related activities.

Some of the properties were at January 1st, 2014 transferred to the subsidiary companies GR BRF Birke-dommevej ApS, GR BRF Næstvedgade ApS, GR BRF Thorupgaards Allé ApS, GR BRF Tomgårdsvej ApS and GR BRF Østerbrogade ApS.

DKK	2015	2014
<b>3 Financial income</b>		
Interest receivable, group entities	639,031	292,564
Other interest income	0	15,863
	<u>639,031</u>	<u>308,427</u>
<b>4 Financial expenses</b>		
Interest expenses, group entities	400,000	120,456
Other interest expenses	3,483,554	3,971,238
	<u>3,883,554</u>	<u>4,091,694</u>
<b>5 Tax for the year</b>		
Deferred tax adjustments in the year	-410,993	-2,307,099
	<u>-410,993</u>	<u>-2,307,099</u>
<b>6 Property, plant and equipment</b>		
DKK		<u>Land and buildings</u>
Cost at 1 January 2015		191,994,889
Additions in the year		3,652,974
Cost at 31 December 2015		<u>195,647,863</u>
Impairment losses and depreciation at 1 January 2015		2,965,324
Amortisation/depreciation in the year		3,066,443
Impairment losses and depreciation at 31 December 2015		<u>6,031,767</u>
Carrying amount at 31 December 2015		<u>189,616,096</u>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 7 Investments

DKK	Investments in group entities, net asset value	Other receivables	I alt
Cost at 1 January 2015	35,214,834	3,199,124	38,413,958
Cost at 31 December 2015	35,214,834	3,199,124	38,413,958
Value adjustments at 1 January 2015	-7,771,367	0	-7,771,367
Share of the profit/loss for the year	-1,700,877	0	-1,700,877
Transferred	0	85,054	85,054
Value adjustments at 31 December 2015	-9,472,244	85,054	-9,387,190
<b>Carrying amount at 31 December 2015</b>	<b>25,742,590</b>	<b>3,284,178</b>	<b>29,026,768</b>

DKK	Domicile	Interest	Equity	Profit/loss
<b>Subsidiaries</b>				
GR BRF Birkedommervej ApS	København	100.00 %	3,161,692	-87,732
GR BRF Næstvedgade ApS	København	100.00 %	5,870,207	-239,200
GR BRF Thorupgaards Allé ApS	København	100.00 %	6,122,013	-16,348
GR BRF Tomsgårdsvej ApS	København	100.00 %	4,053,643	-1,090,843
GR BRF Østerbrogade ApS	København	100.00 %	9,260,111	-266,754

DKK	2015	2014
<b>8 Other receivables</b>		
Other receivables	451,086	263,719
	<b>451,086</b>	<b>263,719</b>

Other receivables under Investments comprise deposits in Grundejernes Investeringsfond (GI)

#### 9 Share capital

The share capital consists of the following:

800 shares of DKK 100.00 each	80,000	80,000
	<b>80,000</b>	<b>80,000</b>

#### 10 Provisions

Other provisions comprise maintenance liabilities.

Maintenance liabilities BRL § 18B, DKK 3,284,178.

Maintenance liabilities BRL § 22, DKK 246,522.

Maintenance liabilities total DKK 3,530,700.

Maintenance liabilities related to BRL § 18B are excepted to fall due within 2-5 years.

Maintenance liabilities related to BRL § 22 are excepted to fall due after 5 years.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 11 Long-term liabilities

Of the long-term liabilities, DKK 125,880 thousand falls due for payment after more than 5 years after the balance sheet date.

Other payables comprise deposits and prepaid rent.

#### 12 Collateral

The following assets have been provided as collateral for mortgages:

- Property, plant and equipment with a carrying value of DKK 189,616 thousand.
- Letters of indemnity totalling DKK 7,000 thousand are held by the Company.
- Owners' mortgages totalling DKK 45,550 thousand are held by the Company.

#### 13 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

#### 14 Related parties

GR BRF ApS' related parties comprise the following:

##### Ownership

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

<u>Name</u>	<u>Domicile</u>
Nordisk Ejendomsholding A/S	Amaliegade 15, 2. sal, 1256 København K