
AHK Nr. 206 ApS

Jeckelsvej 4, DK-9990 Skagen

Annual Report for 1 January - 31 December 2015

CVR No 26 70 72 77

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/5 2016

Jens Koefoed Stadum
Chairman



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of AHK Nr. 206 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 financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Skagen, 16 February 2016

Executive Board

M.A.A. Alfred Hansen

Jens Koefoed Stadum

Christina Philip Sørensen Lötter

Independent Auditor's Report on the Financial Statements

To the Shareholders of AHK Nr. 206 ApS

Report on the Financial Statements

We have audited the Financial Statements of AHK Nr. 206 ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, 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.

Our 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 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

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 in accordance with the Financial Statements.

Aalborg, 16 February 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Marianne Fog Jørgensen

State Authorised Public Accountant

Company Information

The Company

AHK Nr. 206 ApS
Jeckelsvej 4
DK-9990 Skagen

Telephone: +45 9844 1124
Facsimile: +45 9845 0875

CVR No: 26 70 72 77
Financial period: 1 January - 31 December
Financial year: 14th financial year
Municipality of reg. office: Frederikshavn

Executive Board

M.A.A. Alfred Hansen
Jens Koefoed Stadum
Christina Philip Sørensen Lötter

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Skelagervej 1A
DK-9000 Aalborg

Management's Review

The Annual Report of AHK Nr. 206 ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

The main activity consists of lease of buildings and operating equipment as well as holding of shares in other companies and profit received from this.

Development in the year

The income statement of the Company for 2015 shows a loss of DKK 8,634,994, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 20,251,474.

Loss for the year is primary due to write-down on sold building on leased land amounting to DKK 4,481,479. and on other buildings amounting to DKK 3,789,952.

Subsequent events

It was decided that the Company is to be merged with the related company Ruths Hotel with retroactive effect as at 1 January 2015.

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Gross profit/loss		994.173	1.822.209
Depreciation and impairment of property, plant and equipment		-9.704.796	-5.433.619
Profit/loss before financial income and expenses		-8.710.623	-3.611.410
Financial income	1	85.138	121.698
Financial expenses	2	-9.753	0
Profit/loss before tax		-8.635.238	-3.489.712
Tax on profit/loss for the year	3	244	0
Net profit/loss for the year		-8.634.994	-3.489.712

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year		33.000.000	0
Retained earnings		-41.634.994	-3.489.712
		-8.634.994	-3.489.712

Balance Sheet 31 December

	Note	2015 DKK	2014 DKK
Assets			
Land and buildings		19.621.024	51.214.186
Other fixtures and fittings, tools and equipment		14.148	425.782
Property, plant and equipment	4	19.635.172	51.639.968
Fixed assets		19.635.172	51.639.968
Receivables from group enterprises		0	19.440
Other receivables		339.928	36.724
Receivables		339.928	56.164
Cash at bank and in hand		455.796	11.137.317
Currents assets		795.724	11.193.481
Assets		20.430.896	62.833.449
Liabilities and equity			
Share capital		14.000.000	14.000.000
Retained earnings		6.251.474	47.886.468
Equity	5	20.251.474	61.886.468
Rent deposits		44.933	651.753
Trade payables		95.361	58.350
Other payables		39.128	236.878
Short-term debt		179.422	946.981
Debt		179.422	946.981
Liabilities and equity		20.430.896	62.833.449
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		

Notes to the Annual Report

	2015 DKK	2014 DKK
1 Financial income		
Other financial income	85.138	121.698
	85.138	121.698
2 Financial expenses		
Other financial expenses	9.753	0
	9.753	0
3 Tax on profit/loss for the year		
Current tax for the year	1.171.141	2.123.907
Deferred tax for the year	-1.171.141	-2.123.907
Adjustment of tax concerning previous years	-244	0
	-244	0
4 Property, plant and equipment		
	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	73.295.642	5.929.304
Disposals for the year	-47.938.610	-390.548
Cost at 31 December	25.357.032	5.538.756
Impairment losses and depreciation at 1 January	22.081.447	5.503.525
Impairment losses for the year	8.271.430	0
Depreciation for the year	1.321.740	255.412
Reversal of impairment and depreciation of sold assets	-25.938.609	-234.329
Impairment losses and depreciation at 31 December	5.736.008	5.524.608
Carrying amount at 31 December	19.621.024	14.148
Depreciated over	25-50 years	5-7 years

Notes to the Annual Report

5 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	14.000.000	47.886.468	61.886.468
Net profit/loss for the year	0	-8.634.994	-8.634.994
Proposed dividend for the year	0	-33.000.000	-33.000.000
Equity at 31 December	14.000.000	6.251.474	20.251.474

The share capital consists of 14,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

6 Contingent assets, liabilities and other financial obligations

Contingent assets

The company has a non capitalized tax asset. As at 31 December 2015 this amounts to DKK 2.315.496 (2014: DKK 5,576,704).

Contingent liabilities

The Group's Danish enterprises are joint and severally liable for tax of the Group's jointly taxed income etc.

7 Related parties and ownership

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Skagen Conscience Capital Limited, Farncombe House, Farncombe, Broadway, WR12 7LJ Worcestershire, United Kingdom

Accounting Policies

Basis of Preparation

Financial Statements of AHK Nr. 206 ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income Statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Accounting Policies

Revenue

Revenue from sale is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments and price adjustment of securities. Financial income and expenses are recognised with the amounts related to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the Danish group enterprises. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets. The residual value regarding buildings is 40%. Land is not depreciable.

Other buildings	25-50 years
Other fixtures and fittings, tools and equipment	5-7 years

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Accounting Policies

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Accounting Policies

Current tax receivables and liabilities

Current tax receivables and 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 taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.