

Ejendomsselskabet Højmarksvej 7 ApS

Annual report 2015

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

on 8/6 20 16

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 Ejendomsselskabet Højmarksvej 7 ApS for the financial year 1 January – 31 December 2015.

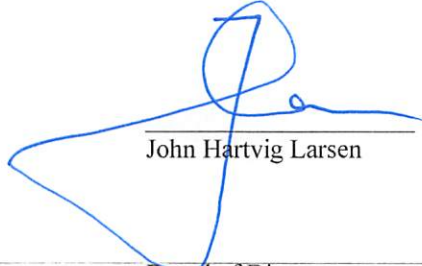
The annual report has been prepared in accordance with the Danish Financial Statements Act.

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

We recommend that the annual report be approved at the annual general meeting.

Aalborg, 8 June 2016

Executive Board:

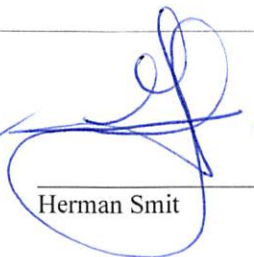


John Hartvig Larsen

Board of Directors:



Jan Arne Kleijn
Chairman



Herman Smit



John Hartvig Larsen



Independent auditor's report

To the shareholders of Ejendomsselskabet Højmarksvej 7 ApS

Independent auditor's report on the financial statements

We have audited the financial statements of Ejendomsselskabet Højmarksvej 7 ApS for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. 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.

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 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 auditor's 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 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 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 assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Aarhus, 8 June 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Steffen S. Hansen
State Authorised
Public Accountant

Company details

Ejendomsselskabet Højmarksvej 7 ApS
Borupvej 4
7330 Brande

Telephone No.: +45 97 18 13 46
CVR no.: 27 38 51 25
Established: 29 September 2003
Registered office: Ikast-Brande
Financial year: 1 January – 31 December

Main activity

The Company's activities consist of holding and letting out real property.

Board of Directors

Jan Arie Kleijn
Herman Smit
John Hartvig Larsen

Executive Board

John Hartvig Larsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus V
Denmark

Annual general meeting

The annual general meeting will be held on 8 June 2016.

Financial statements 1 January – 31 December

Accounting policies

The annual report of Ejendomsselskabet Højmarksvej 7 ApS for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

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

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year comprises current 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 at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Financial statements 1 January – 31 December

Accounting policies

Balance sheet

Property

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

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:

Buildings	25 years
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Land is not depreciated.

Assets costing less than DKK 12.800 are expensed in the year of acquisition.

Gains and losses on the disposal of property 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.

Impairment of non-current assets

The carrying amount of property is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

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, which substantially corresponds to nominal value.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Accounting policies

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 measured on the planned use of the asset or settlement of the liability, respectively.

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.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the 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 cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2015	2014
Gross profit		1,122	1,121
Depreciation on building		-466	-979
Ordinary operating profit		656	142
Financial expenses	1	-97	-105
Profit before tax		559	37
Tax on profit for the year	2	-143	-16
Profit for the year		<u>416</u>	<u>21</u>
 Proposed profit appropriation			
Retained earnings		<u>416</u>	<u>21</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	3		
Land and buildings		2,465	2,931
Total non-current assets		<u>2,465</u>	<u>2,931</u>
Current assets			
Receivables			
Receivables from group entities		1,708	785
Deferred tax asset		508	491
		<u>2,216</u>	<u>1,276</u>
Cash in bank and in hand		<u>250</u>	<u>517</u>
Total current assets		<u>2,466</u>	<u>1,793</u>
TOTAL ASSETS		<u><u>4,931</u></u>	<u><u>4,724</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	4	200	200
Retained earnings		2,658	2,242
Total equity		<u>2,858</u>	<u>2,442</u>
Liabilities			
Non-current liabilities			
Mortgage debt	5	1,201	1,367
		<u>1,201</u>	<u>1,367</u>
Current liabilities			
Mortgage debt	5	166	157
Payables to group entities		438	490
Corporation tax		172	173
Other payables		96	95
		<u>872</u>	<u>915</u>
Total liabilities		<u>2,073</u>	<u>2,282</u>
TOTAL EQUITY AND LIABILITIES		<u><u>4,931</u></u>	<u><u>4,724</u></u>
Contingent assets, liabilities and other financial obligations			
	6		

Financial statements 1 January – 31 December

Notes

DKK'000	2015	2014
1 Financial expenses		
Interest paid to group entities	0	0
Other financial expenses	97	105
	<u>97</u>	<u>105</u>
2 Tax on profit for the year		
Current tax for the year (joint taxation)	172	173
Deferred tax for the year	-29	-157
	<u>143</u>	<u>16</u>
3 Property, plant and equipment		
DKK'000		Buil- dings
Cost at 1 January 2015		<u>8,955</u>
Cost at 31 December 2015		<u>8,955</u>
Impairment losses and depreciation at 1 January 2015		6,024
Depreciation for the year		<u>466</u>
Impairment losses and depreciation at 31 December 2015		<u>6,490</u>
Carrying amount at 31 December 2015		<u>2,465</u>
Depreciated over		<u>25 years</u>

Financial statements 1 January – 31 December

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4 Equity

DKK'000	Share capital	Retained earnings	Total
Balance at 1 January 2015	200	2,242	2,442
Transferred; see the profit appropriation	0	416	416
Balance at 31 December 2015	200	2,658	2,858

The share capital consists of 1.000 shares of a nominal value of DKK 200 thousand. All shares rank equally.

The share capital has not undergone any changes during the past 5 years.

5 Non-current liabilities

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long term debt.

The debt falls due for payments as specified below:

DKK'000	2015	2014
After 5 years	449	652
Between 1 and 5 years	752	715
Non-current portion	1,201	1,367
Within 1 year	166	157
	1,367	1,524

Financial statements 1 January – 31 December

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6 Contingent assets, liabilities and other financial obligations

The following assets have been provided as collateral to mortgage credit institutions:

DKK'000	2015	2014
Land and buildings with a carrying amount of	2,465	2,931

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income, etc. Total corporation tax is disclosed in the Annual Report of Mammoet Wind A/S, which is the administrative company for the joint taxation. The Group's jointly taxed Danish entities are also jointly and severally liable for Danish tax sources in the form of dividend tax and interest tax.

The Company has issued a mortgage registered to the owner at a total amount of DKK 2,250 thousand as well as a letter of indemnity at an amount of DKK 2,000 thousand secured upon the above land and buildings. The mortgage registered to the owner as well as the letter of indemnity are deposited as collateral for group entities' bank loans.