

**L.C.O. Properties ApS  
Central Business Registration No  
28654464**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 24.05.2016

**Chairman of the General Meeting**

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Name: Kitt Æbelø Laurenz

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## **Entity details**

### **Entity**

L.C.O. Properties ApS  
Sundkrogsgade 21  
2100 København Ø

Central Business Registration No: 28654464

Registered in: København

Financial year: 01.01.2015 - 31.12.2015

### **Executive Board**

Adam Charles Mackie  
Pernille Ohlsen

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## **Statement by Management on the annual report**

The Executive Board has today considered and approved the annual report of L.C.O. Properties ApS for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

København, 24.05.2016

### **Executive Board**

Adam Charles Mackie

Pernille Ohlsen

## **Independent auditor's reports**

### **To the owners of L.C.O. Properties ApS**

#### **Report on the financial statements**

We have audited the financial statements of L.C.O. Properties ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 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 about 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 judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 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 Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

#### **Report on other legal and regulatory requirements**

##### **Emphasis of matter regarding other issues**

The company keeps its accounting records in a foreign country. This disputes with the instructions by the Danish Business Authority, for which the Executive Board can be held responsible.

## **Independent auditor's reports**

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

København, 24.05.2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Tim Kjær-Hansen  
State Authorised Public Accountant

## **Management commentary**

### **Primary activities**

The Company's main activity is to buy and hire out real property in Denmark and abroad.

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

The result for the year is not considered satisfactory. The Company has sold part of its property in Rosheim, which has resulted in a loss for the year. The sold property was vacant.

The Company's activities are financed by a loan from the Parent. It is the intention of the Parent to continue the financial support of the Company as long as necessary.

The equity is expected to be reestablished through future income and a conversion of the company's payables to group enterprises to equity.

The company expects a satisfactory result for 2016.

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

The company has in 2016 sold the rest of the property in Rosheim. The property is impaired at 31 December 2015.

## **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 Company has decided to submit the annual report in euros in accordance with section 16 of the Danish Financial Statements Act.

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 or loss comprises revenue, other operating income and property costs.

## **Accounting policies**

### **Revenue**

Rent is recognised in the income statement for the financial year which the rent concerns.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including gains from the sale of property, plant and equipment.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

### **Property costs**

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

### **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 operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

### **Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including net capital losses on securities, payables and transactions in foreign currencies etc.

## **Balance sheet**

### **Property, plant and equipment**

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

## 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:

Buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-5 years

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.

### 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.

**Income statement for 2015**

<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
<b>Gross profit</b>	<b>203.228</b>	<b>193.658</b>
Depreciation, amortisation and impairment losses	(1.545.881)	(270.264)
Other operating expenses	<u>(651.886)</u>	<u>0</u>
<b>Operating profit/loss</b>	<b>(1.994.539)</b>	<b>(76.606)</b>
Financial expenses from group enterprises	(177.100)	(201.664)
Other financial expenses	<u>(2.088)</u>	<u>(5.405)</u>
<b>Profit/loss for the year</b>	<b><u>(2.173.727)</u></b>	<b><u>(283.675)</u></b>
<b>Proposed distribution of profit/loss</b>		
Retained earnings	<u>(2.173.727)</u>	<u>(283.675)</u>
	<b><u>(2.173.727)</u></b>	<b><u>(283.675)</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Land and buildings		3.663.530	7.561.682
<b>Property, plant and equipment</b>		<u><b>3.663.530</b></u>	<u><b>7.561.682</b></u>
<b>Fixed assets</b>		<u><b>3.663.530</b></u>	<u><b>7.561.682</b></u>
Trade receivables		4.099	129.804
Prepayments		8.336	10.680
<b>Receivables</b>		<u><b>12.435</b></u>	<u><b>140.484</b></u>
<b>Cash</b>		<u><b>209.074</b></u>	<u><b>145.221</b></u>
<b>Current assets</b>		<u><b>221.509</b></u>	<u><b>285.705</b></u>
<b>Assets</b>		<u><u><b>3.885.039</b></u></u>	<u><u><b>7.847.387</b></u></u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Contributed capital	1	16.769	16.769
Retained earnings		<u>(4.170.562)</u>	<u>(1.996.835)</u>
<b>Equity</b>		<b><u>(4.153.793)</u></b>	<b><u>(1.980.066)</u></b>
Payables to group enterprises		7.822.000	9.522.000
Other payables		<u>46.810</u>	<u>77.084</u>
<b>Non-current liabilities other than provisions</b>		<b><u>7.868.810</u></b>	<b><u>9.599.084</u></b>
Trade payables		1.426	44.837
Debt to group enterprises		130.073	149.083
Other payables		<u>38.523</u>	<u>34.449</u>
<b>Current liabilities other than provisions</b>		<b><u>170.022</u></b>	<b><u>228.369</u></b>
<b>Liabilities other than provisions</b>		<b><u>8.038.832</u></b>	<b><u>9.827.453</u></b>
<b>Equity and liabilities</b>		<b><u><u>3.885.039</u></u></b>	<b><u><u>7.847.387</u></u></b>
Claims of creditor subordinated to other creditors	2		
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**Statement of changes in equity for 2015**

	<b>Contributed capital EUR</b>	<b>Retained ear- nings EUR</b>	<b>Total EUR</b>
Equity beginning of year	16.769	(1.996.835)	(1.980.066)
Profit/loss for the year	0	(2.173.727)	(2.173.727)
<b>Equity end of year</b>	<b>16.769</b>	<b>(4.170.562)</b>	<b>(4.153.793)</b>

## Notes

### **1. Contributed capital**

There have been no changes to the share capital for the last 5 years.

### **2. Claims of creditor subordinated to other creditors**

The Company's long-term debt is issued by the Parent. The Parent has issued a support letter to the Company which is valid until 31 December 2016.

### **3. Related parties with control**

CEF (W) SA owns all shares in the Company.

### **4. Consolidation**

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

Yesss Group (W) S.A., Luxembourg

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

Yesss Group (W) S.A., Luxembourg