

Borkum Riffgrund I Holding A/S

## **Annual Report for 2015**

**Kraftværksvej 53, 7000 Fredericia**

**CVR no. 29 61 64 77**

**(10th financial year)**

The annual report was presented and adopted at the annual general meeting of the company on 15/04 2016

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Ulrik Jarlov

Chairman

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

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Borkum Riffgrund I Holding A/S 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's and of the results of the company's operations for the year 1 January - 31 December 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

Skærbæk, 18 March 2016

### **Executive Board**

Trine Borum Bojsen

### **Board of Directors**

Robert Helms  
Chairman

Michael Christensen

Trine Borum Bojsen

## Independent Auditor's Report

*To the Shareholder of Borkum Riffgrund I Holding A/S*

### Report on the Financial Statements

We have audited the Financial Statements of Borkum Riffgrund I Holding A/S for the financial year 1 January - 31 December 2015, which comprise 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 the 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 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 the 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 Statement gives a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

## **Independent Auditor's Report**

### **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, it is our opinion the information provided in the Management's Review is consistent with the Financial Statements.

Hellerup, 18 March 2016

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR-no.33 77 12 31

Fin T. Nielsen  
State Authorised Public Accountant

Kim Danstrup  
State Authorised Public Accountant

## Company information

### The company

Borkum Riffgrund I Holding A/S  
Kraftværksvej 53  
Skærbæk  
7000 Fredericia

Telephone: 99 55 11 11  
Fax: 99 55 00 02  
Website: [www.dongenergy.com](http://www.dongenergy.com)

CVR no.: 29 61 64 77  
Financial Period: 1 January - 31 December  
Reg. office: Fredericia

### Board of Directors

Robert Helms, Chairman  
Michael Christensen,  
Trine Borum Bojsen

### Executive Board

Trine Borum Bojsen

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

### Consolidated Financial Statements

The company is included in the Consolidated Financial Statement of the ultimate parent company, DONG Energy A/S, Fredericia, CVR no. 36 21 37 28

The Annual Report of DONG Energy A/S, Fredericia, CVR no. 36 21 37 28 can be downloaded at the following address:

[www.dongenergy.com](http://www.dongenergy.com)

## **Management's review**

### **Core activity**

The company's objects are to engage in activities in the energy sector and ancillary activities.

### **Development in the year**

The company's income statement for the year ended 31 December 2015 shows a loss of t.kr. 10,683, and the company's balance sheet at 31 December 2015 shows equity of t.kr. 10,242.

The company is a Holding company without activities.

### **Subsequent events**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

### **Outlook for the coming year**

Financial performance for 2015 is lower than the expectations due to an increase in parent company guarantees.

The result for 2016 is expected to be a bit lower than 2015 because of the increased level of parent company guarantees.

## Accounting policies

The Annual Report of Borkum Riffgrund I Holding A/S 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 previous years.

The Annual Report for 2015 is presented in t.kr.

In accordance with the Danish Financial Statements Act §112, the Company has chosen to omit the consolidated financial statement.

### Recognition and measurement

Revenue is 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 generate the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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, and subsequently 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 term. Amortised cost is calculated as original cost less any repayments of principal and plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way, capital losses and gains are spread over the terms of the assets and liabilities.

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

## Income statement

### Other external expenses

Other external expenses comprise expenses for administration.



## Accounting policies

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest and realised and unrealised exchange adjustments.

### Income from investments in subsidiaries

Dividends from investments are recognized in the financial years in which the dividend are declared.

### Tax on profit/loss for the year

Tax on profit/loss for the year, consisting of current tax for the year and deferred tax for the year, is recognised in the income statement to the extent that it relates to the net profit/loss for the year and directly in equity to the extent that it relates to entries directly in equity. The company is subject to the Danish rules on compulsory joint taxation of the DONG Energy Group's Danish companies, and the ultimate parent company, DONG Energy A/S, has also elected international joint taxation with the Group's foreign subsidiaries. Subsidiaries are included in the joint taxation from the date they are included in the consolidation in the consolidated financial statements and up to the date on which they are no longer included in the consolidation.

The ultimate parent company, DONG Energy A/S, is the administration company for the joint taxation and consequently settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, current Danish income tax is allocated among the jointly taxed Danish enterprises in proportion to their taxable income. Further to this, Danish subsidiaries with tax losses receive joint taxation contributions from the parent company equivalent to the tax base of the tax losses utilised (full allocation), while enterprises that utilise tax losses in other Danish enterprises pay joint taxation contributions to the parent company equivalent to the tax base of the utilised losses.

## **Accounting policies**

### **Balance sheet**

#### **Investments in subsidiaries**

Investments in subsidiaries are measured at cost. In those cases, where the cost exceeds the net realizable value, write-down is made to this lower value.

The costs of an enterprise consists of the fair value of the agreed consideration plus costs that can be directly attributed to the acquisition. If parts of the agreed consideration are contingent on future events, these parts are recognised in the cost to the extent that the events are probable and the consideration can be measured reliably.

Cost is reduced to the extent that dividends received exceed the accumulated earnings after the date of acquisition.

#### **Receivables**

Receivables are recognised at amortised cost, which normally corresponds to nominal value. Provisions for estimated bad debts are made.

#### **Dividends**

Proposed dividends are presented as a separate item in equity. Dividends are recognised as a liability at the date of their adoption at the annual general meeting.

#### **Current and deferred tax assets and liabilities**

Current tax payable and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on previous years' taxable income and taxes paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts 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 against tax on future earnings or by set-off against deferred tax liabilities.

## **Accounting policies**

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. Where the tax base can be determined applying alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement. For the current year, a tax rate of 22% has been applied.

### **Payables**

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

### **Foreign currency translation**

DKK is used as measuring currency. All other currencies are recognised as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

**Income Statement 1 January - 31 December**

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
Other external expenses		-5	-12
<b>Gross loss</b>		<b>-5</b>	<b>-12</b>
Financial income	1	2	29
Financial expenses	2	-13.874	-6.798
<b>Loss before tax</b>		<b>-13.877</b>	<b>-6.781</b>
Tax on profit/loss for the year	3	3.194	1.634
<b>Net loss for the year</b>		<b>-10.683</b>	<b>-5.147</b>
Transfer to retained earnings		-10.683	-5.147
		<b>-10.683</b>	<b>-5.147</b>

## Balance Sheet at 31 December

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
<b>Assets</b>			
Investments in subsidiaries	4	36.816	36.816
<b>Fixed asset investments</b>		<b>36.816</b>	<b>36.816</b>
<b>Total non-current assets</b>		<b>36.816</b>	<b>36.816</b>
Receivables from group enterprises		1.637	23.049
Deferred tax asset		522	180
Corporation tax		3.053	1.492
<b>Receivables</b>		<b>5.212</b>	<b>24.721</b>
<b>Total current assets</b>		<b>5.212</b>	<b>24.721</b>
<b>Total assets</b>		<b>42.028</b>	<b>61.537</b>

## Balance Sheet at 31 December

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
<b>Liabilities and equity</b>			
Share capital		1.000	1.000
Retained earnings		9.242	19.925
<b>Total equity</b>	6	<u>10.242</u>	<u>20.925</u>
Payables to group enterprises	7	30.000	40.000
<b>Non-current debt</b>		<u>30.000</u>	<u>40.000</u>
Payables to group enterprises	7	1.784	602
Other payables		2	10
<b>Current debt</b>		<u>1.786</u>	<u>612</u>
<b>Total liabilities other than provisions</b>		<u>31.786</u>	<u>40.612</u>
<b>Total liabilities and equity</b>		<u><u>42.028</u></u>	<u><u>61.537</u></u>
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**Statement of changes in equity**

	<u>Share capital</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u>
	t.kr.	t.kr.	t.kr.
Equity at 1 January	1.000	19.925	20.925
Net profit for the year	0	-10.683	-10.683
<b>Equity at 31 December</b>	<b><u>1.000</u></b>	<b><u>9.242</u></b>	<b><u>10.242</u></b>

## Notes to the Annual Report

	2015	2014
	t.kr.	t.kr.
<b>1 Financial income</b>		
Interest received from group enterprises	0	27
Other financial income	2	2
	<b>2</b>	<b>29</b>
<b>2 Financial expenses</b>		
Interest paid to group enterprises	13.870	6.751
Other financial costs	4	47
	<b>13.874</b>	<b>6.798</b>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	-3.261	-1.492
Adjustment of tax concerning previous years	409	-667
Adjustment of deferred tax concerning previous years	-342	525
	<b>-3.194</b>	<b>-1.634</b>



## Notes to the Annual Report

	2015	2014
	t.kr.	t.kr.
<b>4 Investments in subsidiaries</b>		
Cost at 1 January	186.006	186.006
Cost at 31 December	186.006	186.006
Revaluations at 1 January	-149.190	-149.190
Revaluations at 31 December	-149.190	-149.190
<b>Carrying amount at 31 December</b>	<b>36.816</b>	<b>36.816</b>

Investments in group enterprises are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
			t.kr.	t.kr.
DONG Energy Borkum Riffgrund I GmbH	Tyskland	100%	31.669	-33.288
DONG Energy Borkum Riffgrund I HoldCo GmbH	Tyskland	100%	0	-49.060

### 5 Receivables from group enterprises

Included in Receivables from group enterprises is a cashpool of DKK 1.637 thousand (2014: 23.049 TDKK).

## Notes to the Annual Report

### 6 Equity

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

The share capital has developed as follows:

	2015	2014	2013	2012	2011
	t.kr.	t.kr.	t.kr.	t.kr.	t.kr.
Share capital at 1 January	1.000	1.000	1.000	1.000	500
Additions for the year	0	0	0	0	500
Disposals for the year	0	0	0	0	0
<b>Share capital at 31 December</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>

### 7 Long term debt

	2015	2014
	t.kr.	t.kr.
<b>Payables to group enterprises</b>		
Between 1 and 5 years	30.000	40.000
Long-term part	30.000	40.000
Other short-term debt to subsidiaries	1.784	602
Short-term part	1.784	602
	<b>31.784</b>	<b>40.602</b>

### 8 Contingencies etc.

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. references is made to the Annual Report DONG Energy A/S, the company responsible for the administration of the joint taxation arrangement.

The Group's Danish companies are jointly and severally liable for their joint VAT registration.

## Notes to the Annual Report

### 9 Related parties and ownership

**Basis**

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#### Controlling interest

DONG Energy Wind Power A/S, Kraftsværksvej 53,  
7000 Fredericia. Parent company

#### Other related parties

The Danish State by the Ministry of Finance  
DONG Energy A/S, Kraftsværksvej 53, 7000  
Fredericia. Ultimate parent company

The Goldman Sachs Group  
Board of directors, Executive Board, management  
and other Companies in the DONG Energy Group

#### 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:

DONG Energy Wind Power A/S