

OPP Arkivet A/S

Roskildevej 12  
2620 Albertslund

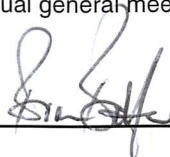
CVR no. 30 61 72 23

## Annual report 2016

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

30 March 2017

Jon Bruce Balfour  
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 OPP Arkivet A/S for the financial year 1 January – 31 December 2016.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 30 March 2017

Executive Board:

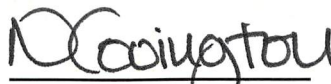


Flemming Morten  
Bækkeskov

Board of Directors:



Ion Bruce Balfour  
Chairman



Nicola Covington



Fabrice Kun-Darbois



## **Independent auditor's report**

### **To the shareholder of OPP Arkivet A/S**

#### **Opinion**

We have audited the financial statements of OPP Arkivet A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 2016, and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



## Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 March 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'M. Eiler', written over a light blue grid pattern.

Martin Eiler  
State Authorised  
Public Accountant

**OPP Arkivet A/S**  
Annual report 2016  
CVR no. 30 61 72 23

## **Management's review**

### **Company details**

OPP Arkivet A/S  
Roskildevej 12  
2620 Albertslund

CVR no.: 30 61 72 23  
Established: 18 June 2007  
Registered office: Albertslund  
Financial year: 1 January – 31 December

### **Board of Directors**

Ion Bruce Balfour, Chairman  
Nicola Covington  
Fabrice Kun-Darbois

### **Executive Board**

Flemming Morten Bækkeskov

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København  
Denmark

### **Annual general meeting**

The annual general meeting will be held on 30 March 2017.

## **Management's review**

### **Operating review**

#### **Principal activities**

Since 2009, OPP Arkivet A/S (OPA) has in compliance with the OPP contract with Bygningsstyrelsen ("the Danish Building and Property Agency") placed storage facilities at the disposal of Rigsarkivet ("the Danish State Archives") and is responsible for the operation and maintenance of the storage and office facilities at the ground floor of the "DSB-building" until 30 June 2037. The operational and maintenance contract has been outsourced to Kemp & Lauritzen A/S throughout the entire period.

The Company has no employees and the administration has been outsourced to Kemp & Lauritzen A/S.

#### **Development in activities and financial matters**

The result for the year shows a profit of DKK 3,467 thousand which is in accordance with the expectations for the year. The profit for 2017 is forecast to be at similar level as 2016 in accordance with the long-term budget for the Company.

#### **Significant events after the balance sheet date**

No events have occurred after the balance sheet date that may affect the assessment of the Company's financial position at 31 December 2016 or the results for the year.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2016	2015
Net revenue		17,915	17,556
Operating expenses		-14,402	-14,069
Administrative expenses		-886	-744
<b>Gross profit</b>		<u>2,627</u>	<u>2,743</u>
<b>Earnings before financial items</b>		2,627	2,743
Financial income		31,037	31,183
Financial expenses	2	-29,146	-29,685
<b>Profit before tax</b>		<u>4,518</u>	<u>4,241</u>
Tax on profit for the year	3	-1,051	-933
<b>Profit for the year</b>		<u><u>3,467</u></u>	<u><u>3,308</u></u>

### Proposed profit appropriation

Dividend	1,020	2,000
Retained earnings	<u>2,447</u>	<u>1,308</u>
	<u><u>3,467</u></u>	<u><u>3,308</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Investments</b>			
Finance lease receivable	4	483,180	485,442
		<u>483,180</u>	<u>485,442</u>
<b>Total non-current assets</b>		<u>483,180</u>	<u>485,442</u>
<b>Current assets</b>			
<b>Receivables</b>			
Other receivables		0	884
Prepayments		<u>0</u>	<u>77</u>
		0	961
<b>Cash at bank and in hand</b>		<u>1,221</u>	<u>2,322</u>
<b>Total current assets</b>		<u>1,221</u>	<u>3,283</u>
<b>TOTAL ASSETS</b>		<u><u>484,401</u></u>	<u><u>488,725</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		540	540
Retained earnings		4,658	2,211
Proposed dividend for the financial year		1,020	2,000
<b>Total equity</b>		<b>6,218</b>	<b>4,751</b>
<b>Provisions</b>			
Provision for deferred tax		5,624	4,573
Other provisions		200	100
<b>Total provisions</b>		<b>5,824</b>	<b>4,673</b>
<b>Non-current liabilities other than provisions</b>			
Debt to credit institutions	5	410,761	419,012
Subordinated loans from shareholders	5	37,243	38,161
Accrual income		15,098	13,418
<b>Liabilities other than provisions</b>		<b>463,102</b>	<b>470,591</b>
<b>Current liabilities other than provisions</b>			
Debt to credit institutions and shareholder	5	9,169	8,589
Other payables		88	121
		<b>9,257</b>	<b>8,710</b>
<b>Total liabilities</b>		<b>472,359</b>	<b>479,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>484,401</b>	<b>488,725</b>
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## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividends</u>	<u>Total</u>
<b>Equity at 1 January 2016</b>	540	2,211	2,000	4,751
Distributed dividends	0	0	-2,000	-2,000
Transferred result	<u>0</u>	<u>2,447</u>	<u>1,020</u>	<u>3,467</u>
<b>Equity at 31 December 2016</b>	<u>540</u>	<u>4,658</u>	<u>1,020</u>	<u>6,218</u>

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of OPP Arkivet A/S for 2016 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with additions from reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of 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 Company and the value of the assets can be measured reliably.

Liabilities 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 Company and the value of the assets 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.

### Income statement

#### Net revenue

Net revenue derives from the Company's OPP operational and maintenance contract regarding Rigsarkivet. Net revenue is recognised as the services are performed after deduction of VAT and duties. The Company receives a flat fee (indexed) while operating expenses fluctuates throughout the contract period. In order to ensure a matching revenue recognition, the OPP contract total income is accrued over the term of the contract on the basis of the development of the operating expenses. This ensures a constant operating margin over the contract period.

#### Operating expenses

Operating expenses comprise expenses incurred in connection with obtaining revenue for the year and comprise significant expenses related to outsourcing of the operational and maintenance responsibility to an external supplier.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Administrative expenses

Administrative expenses include management and administration of the Company, including expenses relating to the administrative staff, Management, premises, etc.

##### Financial income and expenses

Financial income is primarily related to the finance lease contract of the OPP agreement with Bygningsstyrelsen. Financial expenses are primarily related to loans from credit institutions and subordinated loans from shareholders.

##### Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax is recognised in the income statement by the proportion attributable to the profit for the year and recognised directly on equity by the proportion attributable to entries directly on equity.

##### Balance sheet

##### Finance lease receivable

The receivable relates to the building Rigsarkivet rented out on the basis of a finance lease contract. The receivable is recognised at the value of the net investment which corresponds to the total nominal amount of the minimum lease payments after deduction of unearned finance income. A market based interest rate is used as discount rate.

Any difference between cost and the new investment of the asset is recognised as loss/gain under financial income and expenses.

Subsequently, the receivable is measured at amortised cost.

##### Other receivables

Other receivables are measured at the value at which they are expected to be recognised in the Company. Accordingly, write-down is made for bad debt calculated on the basis of an individual assessment of receivables.

##### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

##### Equity - dividends

Proposed dividends are recognised as a liability at the date when 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.

##### Deferred tax

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. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the expected value of their utilisation; 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 values.

Deferred tax is measured according to 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 due to changes in the tax rate are recognised in the income statement.

##### Other provisions

Other provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value if the obligation is expected to be settled in the distant future.

##### Accrual income

Income is accrued so that the annual operating margin is constant over the contract period.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities comprising amounts owed to credit institutions, subordinated loans from shareholders and trade payables are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

#### 2 Financial expenses

DKK'000	2016	2015
Interest paid to affiliated companies	4,710	4,743
Other financial expenses	24,436	24,942
	<u>29,146</u>	<u>29,685</u>

#### 3 Deferred tax

DKK'000		
Deferred tax at 1 January	4,573	3,640
Deferred tax adjustment for the year	1,051	933
Deferred tax at 31 December	<u>5,624</u>	<u>4,573</u>

#### 4 Financial lease receivable

DKK'000		
Financial receivable at 1 January	485,441	487,703
Annual repayment	<u>-2,261</u>	<u>-2,261</u>
Financial receivable at 31 December 2016	<u>483,180</u>	<u>485,442</u>

DKK'000	Total at 31 December 2016	Repayment, next year	Long-term portion	Outstanding after 5 years
Receivables due	<u>483,180</u>	<u>2,261</u>	<u>480,919</u>	<u>471,873</u>
<b>Carrying amount at 31 December 2016</b>	<u>483,180</u>	<u>2,261</u>	<u>480,919</u>	<u>471,873</u>



## Financial statements 1 January – 31 December

### Notes

At the completion of the property on 1 July 2009, the loan receivable is amortised over 28 years with a residual value of 88% of the building's net investment. The repayment schedule has been defined based on the contract with Bygningsstyrelsen and its option to buy the building for a predefined price.

#### 5 Debt due to credit institutions and subordinated loans from shareholders

DKK'000	Total debt at 31 December 2016	Repayment, next year	Long-term portion	Outstanding debt after five years
Credit institutions	419,012	8,251	410,761	375,763
Subordinated loan	38,161	918	37,243	33,627
	<u>457,173</u>	<u>9,169</u>	<u>448,004</u>	<u>409,390</u>

The subordinated loans from the shareholders are amortised during the OPP contract period until 2037.

#### 6 Management and staff

The Company has had no employees during 2016. The Company's administration has been outsourced.

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

The Company has made an agreement with Bygningsstyrelsen (the Danish Building & Property Agency) according to which the Company has the full financial responsibility for design, construction, maintenance and financing of Rigsarkivet (the Danish State Archive). The agreement runs for 30 years from 1 July 2007, and afterwards Bygningsstyrelsen and the Company, respectively have an option to buy/sell the building for a predefined amount.

The building is constructed on leased land and the Company has made a lease agreement with Bygningsstyrelsen for the land with an annual rent of DKK 2 million, subject to an annual increase of 2%.

A VAT adjustment liability of DKK 22 million (2015: DKK 34 million) falls on the building. The liability is triggered if the building is leased to a non-VAT business. The liability applies for 10 years from 1 July 2009 and is annually decreased by 10% corresponding to DKK 12 million (expires on 1 July 2019).

The Company's property (financially presented as a finance lease receivable) with an accounting value of DKK 485 million has been placed as security for the Company's debt to credit institutions, DKK 427 million.

In 2007, the Company entered into a "back-to-back" agreement with an external subcontractor (Kemp & Lauritzen A/S, K&L) regarding future operation and

## Financial statements 1 January – 31 December

### Notes

maintenance of Rigsarkivet's archives at Kalvebod ("The Project"). The agreement with subsequent amendments comprises future annual payments (in 2015-prices) of DKK 11 million for the O&M activities and a "pass-through" annual payment for utilities of DKK 2 million. The O&M payments are annually adjusted with a fixed percentage of 1.65 as well as with an indexation linked to the official "CPI" (consumer price index, "Nettoprisindekset"). The agreement expires on 30 June 2037. The total payment to K&L for the O&M activities during the PPP contract's entire operation period is calculated to approx. DKK 450 million including indexation.

### 8 Related party disclosures

#### Ownership

Control and ownership of the Company is held entirely by Aberdeen Infrastructure II Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH, United Kingdom.