

# Swiss Re Denmark Services A/S Annual Report 2016

CVR-nr. 31 06 65 06

The Annual report was  
presented and adopted at  
the Annual General  
Meeting of the Company  
on 18/5 2017

A handwritten signature in blue ink that reads 'Lars Sommer Hansen'.

Lars Sommer Hansen  
Dirigent  
Chairman

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# Management Statement

The Management and Board of Directors considered and approved the Annual Report of Swiss Re Denmark Services A/S for the financial year 1 January to 31 December 2016.

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 2016 of the Company and of the results of the Company operations for 2016.

We recommend that the Annual Report be approved at the Annual General Meeting

Copenhagen, 20th April 2017


## Management

  
Lars Sommer Hansen  
Admin Director  
CEO

  
Finn Christoffersen  
Director  
Executive Officer

## Board of Directors

  
Torben Thomsen  
Chairman

  
Frank Reichelt

  
Sabine Baechler

# Independent Auditor's Report

To the Shareholders of Swiss Re Denmark Services A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Swiss Re Denmark Services A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

## 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's Responsibilities 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.

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.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

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.

Hellerup, 20 April 2017

### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Jesper Edelbo

State Authorised Public Accountant



Peter Nissen

State Authorised Public Accountant

# Company Information

## **The Company**

Swiss Re Denmark Services A/S  
Østbanegade 135  
DK-2100 København Ø

Telephone: +45 33979593  
Telefax: +45 33979412

CVR No: 31 06 65 06  
Financial Period: 1 January – 31 December  
Municipality of registered office: Copenhagen

## **Board of Directors**

Torben Thomsen, Chairman  
Frank Reichelt  
Sabine Baechler

## **Management**

Lars Sommer Hansen  
Finn Christoffersen

## **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management Review

Financial Statements of Swiss Re Denmark Services A/S for 2016 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 Objective of the Company is to act as Services Company with respect to affiliated companies, including secondment of employees in connection with affiliated companies' outsourcing of staff and administration, and activities related thereto.

## **Development in the year**

The income statement of the Company for 2016 shows a result of EUR – 3 385 and at 31 December 2016 the balance sheet of the Company shows equity of EUR 1 437 015.

## **Unusual events**

The financial position at 31 December 2016 of the Company and the results of the activities of the Company for the financial year for 2016 have not been affected by any unusual events.

## **Subsequent events**

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



# Income Statement

For the period dated 1 January 2016 until 31 December 2016

| EUR  | Notes | 2016             | 2015             |
|--|-------|------------------|------------------|
| <b>Revenue</b>   |       | <b>8 400 200</b> | <b>9 094 298</b> |
| Other external expenses  |       | -1 064 909       | -1 549 010       |
| <b>Gross Profit</b>  |       | <b>7 335 291</b> | <b>7 545 918</b> |
| Staff expenses   | 1     | -7 286 727       | -7 515 509       |
| Depreciation, amortisation and impairment of property, plant and equipment |       | -44 013          | -29 532          |
| <b>Profit/loss before financial income and expenses</b>                    |       | <b>4 551</b>     | <b>877</b>       |
| Financial income   |       | 30 735           | 22 469           |
| Financial expenses   |       | -35 286          | -23 346          |
| <b>Profit/loss before tax</b>  |       | <b>0</b>         | <b>0</b>         |
| Tax on profit/loss for the year  | 2     | -3 385           | -22 750          |
| <b>Net profit/loss for the year</b>  |       | <b>-3 385</b>    | <b>-22 750</b>   |

## Distribution of profit

Proposed distribution of profit

|                                | 2016          | 2015           |
|--------------------------------|---------------|----------------|
| Proposed dividend for the year | 0             | 200 000        |
| Retained earnings              | -3 385        | -222 750       |
| <b>Distribution of profit</b>  | <b>-3 385</b> | <b>-22 750</b> |

# Balance Sheet

as of 31 December 2016

## Assets

| EUR  | Notes | 2016             | 2015             |
|--|-------|------------------|------------------|
| Other fixtures and fittings, tools and equipment |       | 117 602          | 72 725           |
| <b>Property, plant and equipment</b>             |       | <b>117 602</b>   | <b>72 725</b>    |
| Other receivables                                |       | 96 673           | 93 978           |
| <b>Fixed assets investments</b>                  |       | <b>96 673</b>    | <b>93 978</b>    |
| <b>Fixed assets</b>                              |       | <b>214 275</b>   | <b>166 703</b>   |
| Receivables from group enterprises               |       | 2 729 257        | 3 659 280        |
| Other receivables                                |       | 280 128          | 0                |
| Deferred tax asset                               |       | 163 312          | 166 699          |
| Corporation tax                                  |       | 290 160          | 854 633          |
| Prepayment                                       |       | 167 511          | 142 740          |
| <b>Receivables</b>                               |       | <b>3 630 368</b> | <b>4 823 352</b> |
| <b>Cash at bank and in hand</b>                  |       | <b>169 199</b>   | <b>376 769</b>   |
| <b>Current assets</b>                            |       | <b>3 799 567</b> | <b>5 200 121</b> |
| <b>Assets</b>                                    |       | <b>4 013 842</b> | <b>5 366 824</b> |

## Liabilities and shareholder's equity

| EUR                                 | Notes | 2016             | 2015             |
|-------------------------------------|-------|------------------|------------------|
| Share capital                       |       | 134 351          | 134 351          |
| Share premium account               |       | 1 209 154        | 1 209 154        |
| Retained earnings                   |       | 93 510           | 96 895           |
| Proposed dividend for the year      |       | 0                | 200 000          |
| <b>Equity</b>                       |       | <b>1 437 015</b> | <b>1 640 400</b> |
| Other payables                      |       | 2 576 827        | 3 726 424        |
| <b>Total short-term liabilities</b> |       | <b>2 576 827</b> | <b>3 726 424</b> |
| <b>Debt</b>                         |       | <b>2 576 827</b> | <b>3 726 424</b> |
| <b>Liabilities and equity</b>       |       | <b>4 013 842</b> | <b>5 366 824</b> |

|  |   |
|--|---|
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# Statement of Changes in Equity

| EUR                            | Share Capital  | Share premium account | Retained earnings | Proposed dividend for the year | Total            |
|--------------------------------|----------------|-----------------------|-------------------|--------------------------------|------------------|
| <b>Equity at 1 January</b>     | 134 351        | 1 209 154             | 96 895            | 200 000                        | 1 640 400        |
| Dividend paid                  | 0              | 0                     | 0                 | -200 000                       | -200 000         |
| Net profit/loss for the year   | 0              | 0                     | -3 385            | 0                              | -3 385           |
| Proposed dividend for the year | 0              | 0                     | 0                 | 0                              | 0                |
| <b>Equity at 31 December</b>   | <b>134 351</b> | <b>1 209 154</b>      | <b>93 510</b>     | <b>0</b>                       | <b>1 437 015</b> |

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## Notes to the Financial Statements

|   | <u>2016</u>      | <u>2015</u>      |
|---|------------------|------------------|
|   | EUR              | EUR              |
| <b>1 Staff Expenses</b>   |                  |                  |
| Wages and salaries  | 6 372 208        | 6 799 774        |
| Pensions  | 920 594          | 711 064          |
| Other social security costs   | -6 075           | 4 671            |
|   | <u>7 286 727</u> | <u>7 515 509</u> |
| <br>  |                  |                  |
| Average number of employees   | 29               | 24               |
| <br>  |                  |                  |
| <b>2 Tax on profit/loss for the year</b>                                |                  |                  |
| Deferred tax for the year   | 2 489            | 13 151           |
| Adjustment of tax concerning previous years                             | 896              | 9 599            |
|   | <u>3 385</u>     | <u>22 750</u>    |
| <br>  |                  |                  |
| <b>3 Contingent assets, liabilities and other financial obligations</b> |                  |                  |
| Rental agreements and leases  |                  |                  |
| Lease obligations under operating leases. Total future lease payments   |                  |                  |
| Within 1 year   | 279 022          | 293 410          |
| Between 1 and 5 years   | 637 997          | 252 761          |
|   | <u>917 019</u>   | <u>546 171</u>   |

### Contingent liabilities

The Company is jointly and severally liable for the consolidated debt in company taxes for all the taxed entities in accordance with applicable tax laws.

**4 Related parties and ownership**

Controlling interest

Basis

Swiss Re Ltd  
50/60 Mythenquai,  
8002 Zurich,  
Switzerland

Ultimate parent company

Swiss Re Europe S.A.  
2A, Rue albert Borschette,  
L-1246 Luxembourg,  
Grand Duchy of Luxembourg

Parent company



## 5 Significant accounting policies

### Basis of preparation

The Annual Report of Swiss Re Denmark Services A/S for financial year 2016 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 are unchanged from the previous year.

Financial Statements for the financial period 2016 are presented in EUR.

### 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.

### Translation policies

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## **Income Statement**

### **Revenue**

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **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 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 Company is jointly taxed with group related entities in Denmark. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## **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, which are:

|  |            |
|--|------------|
| Other fixtures and fittings, tools and equipment | 3-10 years |
|--|------------|

Depreciation period and residual value are reassessed annually.

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

### **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, the asset is written down to its lower recoverable amount.

### **Fixed asset investments**

Fixed asset investments consist of deposit for rent.

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions or estimated bad debts are made.

### **Prepayments**

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

### **Deferred tax assets and liabilities**

Deferred income 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 for financial reporting purposes 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 within the same legal tax entity.

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

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year

adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

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



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