

# **5 Rue Beaujon Paris VIII ApS**

**Lersø Parkallé 107**

**2100 Copenhagen**

**CVR no 31 07 03 41**

**Annual report for 2015/16**

**(8th Financial year)**

Adopted at the annual general  
meeting on 21 February 2017

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Mads Harboe Nørring  
Chairman

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## **Company details**

### **The Company**

5 Rue Beaujon Paris VIII ApS  
Lersø Parkallé 107  
2100 Copenhagen

CVR no.: 31 07 03 41  
Reporting period: 1 October - 30 September  
Incorporated: 29. February 2008  
Domicile: Copenhagen

### **Executive Board**

Jeffrey Savoie, manager  
Mads Harboe Nørring, manager

### **Auditors**

Crowe Horwath  
Statsautoriseret Revisionsinteressentskab  
Rygårds Allé 104  
2900 Hellerup

## **Management's review**

### **Business activities**

The company's main activity consists in any kind of financial investment, including, but not limited to, buy, own, rent, manage and sell real estate, and any other similar business in accordance with the decision of the executive board.

### **Recognition and measurement uncertainties**

The company investment property fair market value are based on estimates and assumptions which Management considers reasonable, but which are, inherently, uncertain and unpredictable. Actual events and circumstances are likely to be different from those assumed in the calculations, since anticipated events frequently do not occur as expected. The measurement of the Company's property is therefore subject to uncertainty.

### **Business review**

The Company's income statement for the year ended 30 September shows a profit of EUR 823.934, and the balance sheet at 30 September 2016 shows equity of EUR 13.937.401.

The company's investment property is measured at fair value. The measurement of fair value is based on estimates of existing leases, and current market rent for similar properties, in the same location and condition. The discount rate used is significant for the valuation of the company's investment property.

The company's cash reserve is limited, however, it is management's expectation that a positive cash flow will be created through renting out and/or sale of the company's property, whereby the company will be able to meet its liabilities. Further, the company's parent company has provided a letter of support, expiring September 30, 2017, in which they declare to ensure that there will be sufficient liquid funds in the company to cover its current operations.

The company's investment property are established as a branch located in France under the current tax laws. In this regard, the company has acquired an external evaluation of the tax conditions in France. The management concluded, based on this evaluation, that the company does not have any tax obligations which are not included in the balance.

Based on the above, it is the management's overall expectation that the company can run its day to day business with a satisfactory income in the coming year.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the group's and the parent company's financial position.

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

The Executive Board has today discussed and approved the annual report of 5 Rue Beaujon Paris VIII ApS for the financial year 1 October 2015 - 30 September 2016.

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 financial position at 30 September 2016 and of the results of the the Company's operations for the financial year 1 October 2015 - 30 September 2016.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 21 February 2017

### **Executive Board**

Jeffrey Savoie  
manager

Mads Harboe Nørring  
manager

## **Independent Auditor's Report**

*To the shareholders of 5 Rue Beaujon Paris VIII ApS*

### **Report on the Financial Statements**

We have audited the financial statements of 5 Rue Beaujon Paris VIII ApS for the financial year 1 October 2015 - 30 September 2016, which comprise summary of significant 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**

The 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 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 the 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 opinion.

The audit has not resulted in any qualification.

## **Independent Auditor's Report**

### **Opinion**

In our opinion, the financial statements gives a true and fair view of the Company's financial position at 30 September 2016 and of the results of the Company's operations for the financial year 1. oktober 2015 - 30. september 2016 in accordance with the Danish Financial Statements Act.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 6 in which the Management describes the company's financial situation and the uncertainty associated with the valuation of the company's investments properties. We concur with the Management's description of the uncertainties and the accounting treatment.

### **Statement on the Management's Review**

Pursuant to the Danish Financial Statements Act, we have read the Management's review. 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's review is consistent with the Financial Statements.

Copenhagen, 21 February 2017

Crowe Horwath  
Statsautoriseret Revisionsinteressentskab  
CVR-no. 33 25 68 76

Lasse Nørgård  
Statsautoriseret revisor

## **Accounting policies**

The annual report of 5 Rue Beaujon Paris VIII ApS for 2015/16 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 consistent with those of last year.

The annual report for 2015/16 is presented in EUR.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also 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's 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 from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.



## **Accounting policies**

### **Income statement**

#### **Gross profit**

Gross profit reflects an aggregation of revenue less other external expenses.

#### **Revenue**

Revenue from rent is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

#### **Other external expenses**

Other external expenses include expenses related to administration and of the companies property.

#### **Financial income and expenses**

Financial income and expenses include interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans.

#### **Tax on profit/loss for the year**

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

## **Accounting policies**

### **Balance sheet**

#### **Tangible assets**

Investment properties comprises investments in land and buildings for purposes of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

On acquisition, investment properties is measured at cost, comprising the purchase price, including purchase costs.

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

On subsequent recognition, investment properties are measured at fair value.

In management's opinion, the classification of the property as investment properties has not given rise to any difficulty.

The fair value reflects the price for which the property should exchange on the balance sheet date between well-informed and willing parties in an arm's length transaction. The determination of fair value involves significant accounting estimates.

In management's assessment, the fair value for the current year could not be determined based on market information. Accordingly, values have been determined based on discount models.

The fair value of each individual investment properties at 30 September 2016 has been determined using a return-based valuation model. Calculations are based on the budget for the coming year, adjusted for any fluctuations characterised as non-recurring events. These normal earnings are capitalised based on an individually determined return rate. The resulting value is adjusted for any non-operating assets, such as cash and cash equivalents, deposits, etc., provided these are not separately disclosed elsewhere in the balance sheet, to arrive at the fair value.

The estimates used are based on information and assumptions which management considers reasonable, but which are, inherently, uncertain and unpredictable. Actual events and circumstances are likely to be different from those assumed in the calculations, since anticipated events frequently do not occur as expected. These variations may be material.

#### **Receivables**

Receivables are measured at amortised cost.

## **Accounting policies**

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities are measured at realisable cost.

## Income statement 1 October - 30 September 2016

	<u>Note</u>	<u>2015/2016</u> EUR	<u>2014/2015</u> T.EUR
<b>Gross profit</b>		<b>1.545.626</b>	<b>1.664</b>
Value adjustments of assets held for investment		<u>2.150.800</u>	<u>-2.500</u>
<b>Profit/loss before financial income and expenses</b>		<b>3.696.426</b>	<b>-836</b>
Financial costs		<u>-888.606</u>	<u>-891</u>
<b>Profit/loss before tax</b>		<b>2.807.820</b>	<b>-1.727</b>
Tax on profit/loss for the year		<u>-1.983.886</u>	<u>-1.738</u>
<b>Net profit/loss for the year</b>		<b><u>823.934</u></b>	<b><u>-3.465</u></b>
Retained earnings		<u>823.934</u>	<u>-3.465</u>
		<b><u>823.934</u></b>	<b><u>-3.465</u></b>

## Balance sheet at 30 September 2016

	<u>Note</u>	<u>2015/16</u> EUR	<u>2014/15</u> T.EUR
<b>Assets</b>			
Investment properties		44.650.800	42.500
<b>Tangible assets</b>		<b>44.650.800</b>	<b>42.500</b>
<b>Fixed assets total</b>		<b>44.650.800</b>	<b>42.500</b>
Trade receivables		2.530	2
Other receivables		62.591	0
<b>Receivables</b>		<b>65.121</b>	<b>2</b>
<b>Cash at bank and in hand</b>		<b>2.829</b>	<b>0</b>
<b>Currents assets total</b>		<b>67.950</b>	<b>2</b>
<b>Assets total</b>		<b>44.718.750</b>	<b>42.502</b>

## Balance sheet at 30 September 2016

	<u>Note</u>	<u>2015/16</u> EUR	<u>2014/15</u> T.EUR
<b>Liabilities and equity</b>			
Share capital		17.000	17
Retained earnings		<u>13.920.401</u>	<u>12.649</u>
<b>Equity</b>	<b>2</b>	<b><u>13.937.401</u></b>	<b><u>12.666</u></b>
Provision for deferred tax		<u>3.721.682</u>	<u>1.738</u>
<b>Provisions total</b>		<b><u>3.721.682</u></b>	<b><u>1.738</u></b>
Mortgage loans		<u>17.907.632</u>	<u>19.089</u>
<b>Long-term debt</b>	<b>3</b>	<b><u>17.907.632</u></b>	<b><u>19.089</u></b>
Short-term part of long-term debt	3	734.125	684
Payables intercompany		8.046.419	7.982
Other payables		318.076	289
Deferred income		<u>53.415</u>	<u>54</u>
<b>Short-term debt</b>		<b><u>9.152.035</u></b>	<b><u>9.009</u></b>
<b>Debt total</b>		<b><u>27.059.667</u></b>	<b><u>28.098</u></b>
<b>Liabilities and equity total</b>		<b><u>44.718.750</u></b>	<b><u>42.502</u></b>
Uncertainty about the continued operation (going concern)	6		
Contingent assets, liabilities and other financial obligations	4		
Charges and securities	5		
Related parties and ownership	7		

## Notes to the Annual Report

### 1 Assets measured at fair value

	Investment properties
Cost at 1 October 2015	<u>34.154.927</u>
Cost at 30 September 2016	<u>34.154.927</u>
Revaluations at 1 October 2015	8.345.073
Revaluations for the year	<u>2.150.800</u>
Revaluations at 30 September 2016	<u>10.495.873</u>
<b>Carrying amount at 30 September 2016</b>	<b><u><u>44.650.800</u></u></b>

### 2 Equity

	Share capital	Retained earnings	Total
Equity at 1 October 2015	17.000	12.648.709	12.665.709
Fair value adjustment of hedging instruments	0	447.758	447.758
Net profit/loss for the year	0	823.934	823.934
<b>Equity at 30 September 2016</b>	<b><u><u>17.000</u></u></b>	<b><u><u>13.920.401</u></u></b>	<b><u><u>13.937.401</u></u></b>

### 3 Long term debt

	Debt at 1 October 2015	Debt at 30 September 2016	Payment within 1 year	Debt after 5 years
Mortgage loans	<u>19.773.014</u>	<u>18.641.757</u>	<u>734.125</u>	<u>0</u>
	<b><u><u>19.773.014</u></u></b>	<b><u><u>18.641.757</u></u></b>	<b><u><u>734.125</u></u></b>	<b><u><u>0</u></u></b>

## Notes to the Annual Report

### 4 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with its parent, Foncière du Triangle d'or ApS (management company), and is jointly and severally liable together with other jointly taxed entities for payment of corporate income tax and withholding tax on interest, royalties and dividends.

### 5 Charges and securities

The company's property has been pledged as collateral for the company's debt.

### 6 Uncertainty about the continued operation (going concern)

The company's cash reserve is limited, however, it is management's expectation that a positive cash flow will be created through renting out and/or selling of the company's properties, whereby the company will be able to meet its liabilities.

Further, the company's parent company has provided a letter of support, expiring 30 September 2017, in which they declare to ensure that there will be sufficient liquid funds in the company to cover its current operations.

The company investments properties fair market value are based on estimates and assumptions which Management consider reasonable, but which are, inherently, uncertain and unpredictable. Actual events and circumstances are likely to be different from those assumed in the calculations, since anticipated events frequently do not occur as expected. The measurement of the company's properties is therefore subject to uncertainty.

### 7 Related parties and ownership

#### Ownership

According to the Company's register of shareholders, the following shareholders hold a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

Foncière du Triangle d'Or ApS  
Lersø Parkallé 107  
2100 Copenhagen  
Denmark

ABN AMRO LIFE S.A., Ultimate parent company  
46 Avenue J.F. Kennedy  
L-1855 Luxembourg