

**K/S Elsenbakken**  
Elsenbakken 37  
3600 Frederikssund  
Central Business Registration No  
31758645

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 13.03.2017

### **Chairman of the General Meeting**

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Name: Kenneth Borup

## Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2016	7
Balance sheet at 31.12.2016	8
Statement of changes in equity for 2016	10
Notes	11
Accounting policies	13

## Entity details

### Entity

K/S Elsenbakken  
Elsenbakken 37  
3600 Frederikssund

Central Business Registration No: 31758645

Registered in: Frederikssund

Financial year: 01.01.2016 - 31.12.2016

### Board of Directors

Kenneth Borup

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

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

The Board of Directors have today considered and approved the annual report of K/S Elsenbakken for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Frederikssund, 13.03.2017

### **Board of Directors**

Kenneth Borup

# Independent auditor's report

## To the shareholders of K/S Elsenbakken

### Opinion

We have audited the financial statements of K/S Elsenbakken for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

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

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 13.03.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Henrik Hjort Kjelgaard  
State Authorised Public Accountant

Christian Dahlstrøm  
State Authorised Public Accountant

## Management commentary

### Primary activities

K/S Elsenbakken's primary activity is owning and renting the properties Elsenbakken 1A, Elsenbakken 33 and Elsenbakken 37.

### Development in activities and finances

The Company has had an increase in net profit for the year, which has been based on increasing revenue. The net profit for the year amounts to DKK 2,061k (2015: DKK 1,701k) which is an increase of 21.2 %.

Net profit is considered satisfactory.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.



## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Revenue		3.876.669	3.789.612
Other external expenses		<u>(41.896)</u>	<u>(286.772)</u>
<b>Gross profit/loss</b>		<b>3.834.773</b>	<b>3.502.840</b>
Depreciation, amortisation and impairment losses		<u>(697.221)</u>	<u>(680.203)</u>
<b>Operating profit/loss</b>		<b>3.137.552</b>	<b>2.822.637</b>
Other financial income	1	11.761	(1.383)
Other financial expenses	2	<u>(1.088.665)</u>	<u>(1.120.591)</u>
<b>Profit/loss for the year</b>		<b><u>2.060.648</u></b>	<b><u>1.700.663</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>2.060.648</u>	<u>1.700.663</u>
		<b><u>2.060.648</u></b>	<b><u>1.700.663</u></b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Land and buildings		<u>37.526.776</u>	<u>38.223.996</u>
<b>Property, plant and equipment</b>	3	<u><b>37.526.776</b></u>	<u><b>38.223.996</b></u>
<b>Fixed assets</b>		<u><b>37.526.776</b></u>	<u><b>38.223.996</b></u>
Receivables from group enterprises		<u>1.754.132</u>	<u>505.782</u>
<b>Receivables</b>		<u><b>1.754.132</b></u>	<u><b>505.782</b></u>
<b>Cash</b>		<u><b>291.574</b></u>	<u><b>80.096</b></u>
<b>Current assets</b>		<u><b>2.045.706</b></u>	<u><b>585.878</b></u>
<b>Assets</b>		<u><b>39.572.482</b></u>	<u><b>38.809.874</b></u>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Retained earnings		8.912.949	6.852.301
<b>Equity</b>		<b>8.912.949</b>	<b>6.852.301</b>
Debt to other credit institutions		26.501.226	27.281.724
Other payables		2.373.095	2.507.548
<b>Non-current liabilities other than provisions</b>	4	<b>28.874.321</b>	<b>29.789.272</b>
Payables to other credit institutions		1.340.405	1.758.000
Payables to group enterprises		422.807	410.301
Other payables		22.000	0
<b>Current liabilities other than provisions</b>		<b>1.785.212</b>	<b>2.168.301</b>
<b>Liabilities other than provisions</b>		<b>30.659.533</b>	<b>31.957.573</b>
<b>Equity and liabilities</b>		<b>39.572.482</b>	<b>38.809.874</b>
Mortgages and securities	5		
Group relations	6		

## Statement of changes in equity for 2016

	<b>Retained earnings DKK</b>
Equity beginning of year	6.852.301
Profit/loss for the year	<u>2.060.648</u>
<b>Equity end of year</b>	<b><u>8.912.949</u></b>

The limited partnership capital amounts to DKK 16,500k as of 31 December 2016

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Other financial income</b>		
Other financial income	11.761	(1.383)
	<b>11.761</b>	<b>(1.383)</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial expenses</b>		
Financial expenses from group enterprises	(36.416)	24.306
Other financial expenses	1.125.081	1.096.285
	<b>1.088.665</b>	<b>1.120.591</b>

	<b>Land and buildings DKK</b>
<b>3. Property, plant and equipment</b>	
Cost beginning of year	41.769.795
<b>Cost end of year</b>	<b>41.769.795</b>
Depreciation and impairment losses beginning of the year	(3.545.799)
Depreciation for the year	(697.220)
<b>Depreciation and impairment losses end of the year</b>	<b>(4.243.019)</b>
<b>Carrying amount end of year</b>	<b>37.526.776</b>

#### 4. Liabilities other than provisions

Long-term debt to credit institutions due after five years amounts to DKK 21,017k as of 31 December 2016.

Other liabilities consists of rent deposits received.

#### 5. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and equipment deemed part of the property.

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on the plant of DKK 20,383k.

The carrying amount of mortgaged properties amounts to DKK 37,527k.

## Notes

### **6. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Lion Danmark I ApS, Denmark

The consolidated financial statements for the smallest group is also the largest group.

## 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 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.

### Income statement

#### Revenue

Revenue from the renting of properties is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### 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.

#### Depreciation, amortisation 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 intangible assets as well as property, plant and equipment.

#### Other financial income

## Accounting policies

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Balance sheet

#### Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

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 is based on cost less the expected residual value based on the useful lives of the assets.

The depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	50 years
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Assets with a cost less than DKK 12,600 are expensed in the year of the acquisition.

Property, plant and equipment is written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad and doubtful debts.

### 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.