

# Strandlodden ApS

Amaliegade 15, 2. sal, 1256 København K

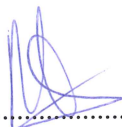
CVR no. 32 05 65 39



## Annual report 2015

Approved at the annual general meeting of shareholders on 11 May 2016

Chairman:



.....



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### Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Strandladden ApS for the financial year 1 January - 31 December 2015.

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

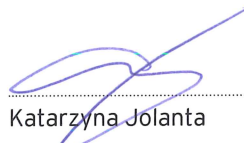
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

Copenhagen, 11 May 2016  
Executive Board:



Mette Krog Hansen



Katarzyna Jolanta  
Ciesielska



Robert McCorduck

## Independent auditors' report on the financial statements

### To the shareholders of Strandladden ApS

We have audited the financial statements of Strandladden ApS for the financial year 1 January - 31 December 2015, which comprise an 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.

### *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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' 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 according to Danish audit regulations. 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 auditors' judgement, 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 auditors 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 Management, as well as evaluating the overall presentation of the financial statements.

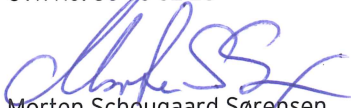
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Odense, 11 May 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Morten Schougaard Sørensen  
State Authorised Public Accountant





## Management's review

Name	Strandladden ApS
Address, Postal code, City	Amaliegade 15, 2. sal, 1256 København K
CVR No.	32 05 65 39
Established	5 February 2009
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Mette Krog Hansen Katarzyna Jolanta Ciesielska Robert McCorduck
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P O Box 200, 5100 Odense C, Denmark

## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK	2015 12 months	2013/14 18 months
	<b>Gross profit/loss</b>	-190,685	914,679
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-175,151	-262,726
	<b>Operating profit/loss</b>	-365,836	651,953
4	Financial income	0	43
5	Financial expenses	-274,217	-1,838,794
	<b>Profit/loss before tax</b>	-640,053	-1,186,798
6	Tax for the year	-2,891	-145,337
	<b>Profit/loss for the year</b>	<u>-642,944</u>	<u>-1,332,135</u>
	<b>Proposed profit appropriation/distribution of loss</b>		
	Retained earnings/accumulated loss	-642,944	-1,332,135
		<u>-642,944</u>	<u>-1,332,135</u>

## Financial statements for the period 1 January - 31 December

### Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
7	Property, plant and equipment		
	Land and buildings	9,843,927	9,900,001
		<u>9,843,927</u>	<u>9,900,001</u>
	<b>Investments</b>		
	Other receivables	477,832	140,384
		<u>477,832</u>	<u>140,384</u>
	<b>Total non-current assets</b>	<u>10,321,759</u>	<u>10,040,385</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Receivables from group entities	0	18,400
8	Other receivables	6,128	79,948
	Deferred income	36,163	34,886
		<u>42,291</u>	<u>133,234</u>
	<b>Cash</b>	0	159,328
	<b>Total current assets</b>	<u>42,291</u>	<u>292,562</u>
	<b>TOTAL ASSETS</b>	<u><u>10,364,050</u></u>	<u><u>10,332,947</u></u>

## Financial statements for the period 1 January - 31 December

### Balance sheet

Note	DKK	2015	2014
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
9	Share capital	500,000	500,000
	Retained earnings	-4,152,108	-3,509,164
	<b>Total equity</b>	<b>-3,652,108</b>	<b>-3,009,164</b>
	<b>Provisions</b>		
	Other provisions	477,832	140,384
10	<b>Total provisions</b>	<b>477,832</b>	<b>140,384</b>
	<b>Liabilities other than provisions</b>		
11	<b>Non-current liabilities other than provisions</b>		
	Mortgage debt	11,054,092	11,432,690
	Other payables	463,015	460,061
		<b>11,517,107</b>	<b>11,892,751</b>
	<b>Current liabilities other than provisions</b>		
11	Current portion of long-term liabilities	378,597	376,560
	Trade payables	75,328	94,071
	Payables to group entities	1,124,072	438,533
	Income taxes payable	235,239	293,912
	Other payables	207,983	105,900
		<b>2,021,219</b>	<b>1,308,976</b>
	<b>Total liabilities other than provisions</b>	<b>13,538,326</b>	<b>13,201,727</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,364,050</b>	<b>10,332,947</b>

- 1 Accounting policies
- 2 The Company's principal activities
- 3 Material uncertainties regarding going concern
- 12 Collateral
- 13 Contractual obligations and contingencies, etc.
- 14 Contingent assets
- 15 Related parties

**Financial statements for the period 1 January - 31 December****Statement of changes in equity**

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 July 2013	500,000	-2,177,029	-1,677,029
Profit/loss for the year	0	-1,332,135	-1,332,135
<b>Equity at 1 January 2015</b>	<b>500,000</b>	<b>-3,509,164</b>	<b>-3,009,164</b>
Profit/loss for the year	0	-642,944	-642,944
<b>Equity at 31 December 2015</b>	<b>500,000</b>	<b>-4,152,108</b>	<b>-3,652,108</b>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Strandloden ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner.

### Income statement

#### Revenue

Rent comprises rental income from the leases of properties. Rent is recognised on an accruals basis.

Rent is measured net of all types of discounts/rebates granted. Also, rent is measured net of VAT and other indirect taxes charged on behalf of third parties.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

#### Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	50 years
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Land is not depreciated.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses etc.

#### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Impairment of fixed assets

Property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

##### Provisions

Other provisions comprise expected maintenance liabilities in accordance with section 22 of the Danish Rent Act and section 18b of the Consolidated act on Temporary Regulation of Housing Condition. Provisions are recognised when, as a result of past events, the Company has legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

##### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. 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 liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 2 The Company's principal activities

The purpose of the Company is to hold shares in companies, acquire, hold, sell, rent or rent out real estate or to engage in any other related business.

#### 3 Material uncertainties regarding going concern

Equity and reserves are negative at DKK -3,652 thousand.

The company is partly financed by loans from the parent company.

The parent company Kiwi FRB ApS has declared that it will support Strandloden ApS financially in 2016 to enable the company to meet all its obligations as they fall due.

Based on the support from the parent company the annual report for 2015 has been prepared under the going concern assumption

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

	2015 12 months	2013/14 18 months
DKK		
<b>4 Financial income</b>		
Other financial income	0	43
	<u>0</u>	<u>43</u>
<b>5 Financial expenses</b>		
Interest expenses, group entities	37,000	923
Remission of debt and similar	0	1,543,943
Other financial expenses	237,217	293,928
	<u>274,217</u>	<u>1,838,794</u>
<b>6 Tax for the year</b>		
Estimated tax charge for the year	0	145,337
Tax adjustments, prior years	2,891	0
	<u>2,891</u>	<u>145,337</u>
<b>7 Property, plant and equipment</b>		
DKK		
Cost at 1 January 2015		13,125,254
Additions in the year		119,077
Cost at 31 December 2015		<u>13,244,331</u>
Impairment losses and depreciation at 1 January 2015		3,225,253
Amortisation/depreciation in the year		175,151
Impairment losses and depreciation at 31 December 2015		<u>3,400,404</u>
<b>Carrying amount at 31 December 2015</b>		<u>9,843,927</u>
DKK		
<b>8 Other receivables</b>	2015	2014
Other receivables	6,128	79,948
	<u>6,128</u>	<u>79,948</u>

Other receivables under Investments comprise deposits in Grundejernes Investeringsfond (GI).

### 9 Share capital

The Company's share capital has remained DKK 500,000 over the past 5 years.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 10 Provisions

Other provisions

External maintenance - BRL §18b DKK. 477,832

Maintenance liabilities related to BRL §18b are expected to fall due within 2-5 years

#### 11 Long-term liabilities

Of the long-term liabilities, DKK 9,622 thousand falls due for payment after more than 5 years after the balance sheet date.

Other payables comprises of deposit and prepaid rent.

#### 12 Collateral

As security for the company's mortgage debt, the company has placed assets with carrying amount of DKK 9,844 thousand.

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

##### Contingent liabilities

Guarantee has been provided in respect of mortgage loans in the sister companies in the KIWI FRB ApS Group. The loans total DKK 214,959 thousand.

##### Other contingent liabilities

The company is jointly taxed with Neptune GR Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the period on and after 23 May 2014 as well as withholding taxes on interest, royalties and dividends falling due for payment on and after 23 May 2014.

#### 14 Contingent assets

The company has a deferred tax asset of DKK 814 thousands that has not been capitalized.

#### 15 Related parties

Strandloden ApS' related parties comprise the following:

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Strandloden Holding ApS	Amaliegade 15, 2. sal, 1256 København K