Solstra Investments A/S

Lautrupsgade 7, 3. tv, DK-2100 Copenhagen Ø

Annual Report for 2015

CVR No 32 14 71 35

The Annual Report has been presented and adopted at the Annual General Meeting of the Company on 26 May 2016.

Mette Kapsch

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Contents

Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Solstra Investments A/S for the financial year 1 January - 31 December 2015.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Financial Statements are prepared in accordance with the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements and the Financial Statements are prepared in accordance with additional Danish disclosure requirements. Management's Review is also prepared in accordance with Danish disclosures requirements

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 January - 31 December 2015.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted by the Annual Shareholders' Meeting.

Copenhagen, 26 May 2016

Executive Board

Oscar Claudius Crohn

Board of Directors

Vincent Marie Georges Fernand Luc de Cannière
Chairman

Johan Ewald Lorentzen

Oscar Claudius Crohn

Independent Auditor's Report

To the Shareholders of Solstra Investments A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Solstra Investments A/S for the financial year 1 January - 31 December 2015, comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies for both the Group and the Parent Company, as well as statement of comprehensive income for the Group. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with Danish disclosure requirements.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements and for preparing Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and Danish disclosure requirements, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements.

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

The audit has not resulted in any qualification.

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU as regards the Consolidated Financial Statements, in accordance with the Danish Financial Statements Act as regards the Parent Company Financial Statements and generally in accordance with Danish disclosure requirements.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, 26 May 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR NO 33 77 12 31

Torben Jensen
State Authorised Public Accountant

Company Information

The Company	Solstra Investments A/S Lautrupsgade 7, 3. tv DK-2100 Copenhagen Ø CVR no: 32 14 71 35 Financial period: 1 January - 31 December Financial year: 6th financial year Municipality of reg. office: Copenhagen
Board of Directors	Vincent Marie Georges Fernand Luc de Cannière (Chairman) Johan Ewald Lorentzen Oscar Claudius Crohn
Executive Board	Oscar Claudius Crohn
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Consolidated Financial Statements	The Company is included in the Consolidated Financial Statements of Solstra Holdings Cyprus Ltd. As a result of the legislation in Cyprus, the Consolidated Financial Statements are not published.

Financial Highlights

Group

	2015 DKK '000	2014 DKK '000	2013 DKK '000	2012 DKK '000	2011 DKK '000
Income statement					
Revenue	916,946	669,237	660,081	250,607	335,280
Gross profit	133,693	71,050	105,077	306,795	508,812
Depreciation and amortisation	(71,761)	(50,682)	(40,782)	(19,291)	(16,810)
Profit before financial items	559,321	254,204	683,674	243,991	443,991
Financial income and expenses	(105,797)	(172,596)	(54,961)	(100,882)	(187,462)
Profit before tax	453,524	81,608	628,713	143,109	256,529
Net profit for the year	432,051	52,176	633,205	57,152	226,358
Balance sheet					
Balance sheet total	4,157,168	3,156,513	3,007,653	2,489,267	2,423,383
Equity	1,028,712	799,438	821,690	539,139	560,128
Production property	437,634	453,617	569,704	0	0
Hotel property	2,300,512	1,444,841	1,321,504	0	0
Investment property	903,669	888,515	769,866	2,095,000	1,911,000
Credit institution	2,141,671	1,394,514	1,402,690	1,162,417	1,181,807
Investment in PPE	(85,532)	(63,473)	(47,092)	(10,635)	(22,435)
Cash flows					
Cash flows from:					
Operating activities	(2,203)	68,231	150,833	71,027	(77,395)
Investing activities	(175,814)	(64,104)	93,673	(11,326)	1,626,173
Financing activities	92,458	5,695	(327,710)	(104,985)	(1,618,502)
Change in cash and cash equivalents	(62,062)	9,821	(83,204)	(45,286)	(69,723)
No of employees	653	462	510	99	92
Ratios					
Gross margin	15%	10%	16%	122%	152%
Profit margin	61%	36%	104%	97%	132%
Return on assets	15%	8%	25%	10%	18%
Solvency ratio	25%	25%	27%	22%	23%
Return on equity	47%	6%	93%	10%	33%

The financial ratios have been prepared in accordance with the latest "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Main activity

Solstra Investments A/S is an investment company primarily focused on the property market, secondarily on the Scandinavian hotel and retail market.

Development in the year

The Group continued its active investment profile and in January 2015 expanded its investment portfolio through the successful acquisition of Hotelinvest Kalvebod ApS, which owns and operate the Copenhagen Marriott Hotel.

Solstra Investments portfolio includes BC Hospitality Group, which comprise strong hospitality assets such as the fully modern trade fair and convention centre Bella Center Copenhagen, the AC Hotel Bella Sky Copenhagen, Comwell Conference Center Copenhagen and Forum Copenhagen. Furthermore, BC Hospitality Group has developed a master plan for the land area around Bella Center that allows for the construction of buildings with a floor space of 305,000 square metres. The Group has initiated the construction of the first 25,000 residential square metres.

Moreover, the Group has activities within retail fashion wear in Denmark, production and sale of exclusive chocolate products and owns a well-located logistics property in Avedøre Holme.

Management is very satisfied with its investments, and continue to execute its development plans for the Group with a view to realising significant growth rates in the years to come. In order to further support this development, the Group is looking for more relevant expansion opportunities in the Nordic region.

At the end of the year, the Group's equity amounted to DKK 1,028,712k, (DKK 799,439k in 2014) corresponding to a solvency ratio of 25% (25% in 2014). The Group is thus ready to face new investments when such possibilities are identified.

The Group had a profit in 2015 of DKK 432,051k (DKK 52,176k in 2014) and Management is very satisfied with the continued positive development, which is in line with expectations. In 2016, Management will continue to focus on the optimisation of the existing portfolio as well as on new investments.

In Management's opinion, the Group's capital resources and liquidity are satisfying.

Market risks

Management believes that the hotel and congress market will see a further uplift in 2016 and is thus comfortable with the outlook on this part of the portfolio. The risk of non-leasing and vacancies on the remaining properties has not been covered. There are a number of factors which affect the risk of non-leasing and vacancies, including the location, condition and rent level of the property as well as the macroeconomic development for the geographical area in question. The Group is comfortable about the quality of the Group's properties, including their condition and unique location, and focuses on maximising rental income and reducing any involuntary vacancies. This is done in close cooperation with local estate agents and property managers.

Interest rate risks

The Group is exposed to the interest rate risk on the part of the Group's debts which is not hedged by financial instruments. In 2015, the Group's senior debt was mainly hedged in mortgage banks and so it will be in 2016. In Management's opinion, this is the optimal structure at present.

Corporate social responsibility
The Group has not prepared policies for corporate social responsibility.

Diversity
The Group pursues a policy of providing equal opportunities for both genders at all levels in the Group.

When choosing between equally qualified candidates, the diversity among the employees will be taken into consideration, as it is the aim that both genders attain a representation at management levels of at least 25%.

Solstra Investments has defined a target that by 2020, at least one member of the Board of Directors must belong to the under-represented gender. However, this target must not rank above the other competency requirements in the nomination of board candidates. The Board of Directors currently consists of three male members.

Subsequent events
The Group has not experienced any significant subsequent events after 31 December 2015, which have an impact on the consolidated financial statements.

Income Statement of 1 January – 31 December

Group

	Note	2015 DKK '000	2014 DKK '000
Revenue	3	916,946	699,237
Cost of goods sold		(231,276)	(207,914)
Other external costs		(282,739)	(202,289)
Staff expenses	4	(269,238)	(217,984)
Gross profit		**133,693**	**71,050**
Other operating income, net	5	497,389	233,836
Depreciation and amortisation	6	(71,761)	(50,682)
Profit before financial income and expenses		**559,321**	**254,204**
Financial income	7	32,071	3,385
Financial expenses	8	(137,868)	(175,981)
Profit before tax		**453,524**	**81,608**
Tax on profit for the year	9	(21,473)	(29,432)
Net profit for the year		432,051	52,176

Attributable to		
Shareholders in Solstra Investments A/S	422,415	34,528
Non-controlling interests	9,636	17,648
	432,051	52,176

Consolidated Statement of Comprehensive Income 1 January – 31 December

Group		
Net profit for the year	432,051	52,176
Items that will not be reclassified to profit or loss		
Fair value adjustment of property	5,518	(129,592)
Tax of fair value adjustment	(1,241)	29,158
Items that may be reclassified to profit or loss		
Recycling of prior years' fair value adjustments on cash flow hedges	31,364	37,365
Tax of fair value adjustment	(5,489)	(6,352)
Other comprehensive income	**30,152**	**(69,421)**
Total comprehensive income for the year	**462,203**	**(17,245)**
Attributable to		
Shareholders in Solstra Investments A/S	24,694	(56,779)
Non-controlling interests	5,458	(12,642)
	30,152	**(69,421)**

Balance Sheet 31 December - Assets

Group

	Note	2015 DKK '000	2014 DKK '000
Assets			
Non-current assets			
Software	10	86	178
Completed development projects	11	909	1,295
Intangible assets		**995**	**1,473**
Leasehold improvements	12	8,416	9,994
Equipment	13	163,459	121,904
Production properties	14	437,634	453,617
Hotel properties	15	2,300,512	1,444,841
Investment properties	16	903,669	888,515
Tangible assets		**3,813,690**	**2,918,871**
Deposits	17	2,103	1,895
Financial assets		**2,103**	**1,895**
Non-current assets		**3,816,788**	**2,922,239**
Inventories	18	163,330	29,323
Trade receivables	19	86,308	65,504
Other receivables	20	36,247	22,890
Cash and cash equivalents	21	54,495	116,557
Current assets		**340,380**	**234,274**
Total assets		**4,157,168**	**3,156,513**

Balance Sheet 31 December – Liabilities and Equity

Group

	Note	2015 DKK '000	2014 DKK '000
Liabilities and equity			
Share capital		100,500	100,500
Other reserves		0	347,812
Retained earnings		928,212	326,722
Proposed dividend for the year		0	24,405
Equity		**1,028,712**	**799,439**
Non-controlling interests	22	**199,649**	**162,358**
Provision for deferred tax	23	250,732	143,070
Credit institutions	25	2,069,642	1,356,995
Deposits	24	17,845	16,463
Non-current liabilities		**2,338,219**	**1,516,528**
Credit institutions	25	72,029	37,519
Borrowings	25	92,045	74,870
Trade payables		90,272	68,094
Prepayments received from customers		70,966	79,165
Payables to group enterprises		0	103,978
Derivative financial instruments		212,040	241,516
Other payables		53,236	73,046
Current liabilities		**590,588**	**678,188**
Total liabilities and equity		**4,157,168**	**3,156,513**

Statement of Changes in Equity

Group

	Share Capital DKK '000	Other reserves DKK '000	Retained earnings DKK '000	Proposed dividend for the year DKK '000	Total equity DKK '000
At 1 January 2014	100,500	334,534	386,656	0	821,690
Ordinary dividend	0	0	(24,405)	24,405	0
Net profit for the year	0	70,057	(35,529)	0	34,528
Other comprehensive income for the year	0	(56,779)	0	0	(56,779)
At 31 December 2014	**100,500**	**347,812**	**326,722**	**24,405**	**799,439**
Ordinary dividend	0	0	0	(24,405)	(24,405)
Extraordinary dividend	0	0	(190,634)	0	(190,634)
Transfer	0	(347,812)	347,812	0	0
Acquisition of minority interest	0	0	(2,797)	0	(2,797)
Net profit for the year	0	0	422,415	0	422,415
Other comprehensive income for the year	0	0	24,694	0	24,694
At 31 December 2015	**100,500**	**0**	**928,212**	**0**	**1,028,712**

	2015 DKK '000	2014 DKK '000
Share capital at 1 January	100,500	100,500
Capital increase	0	0
Share capital at 31 December	**100,500**	**100,500**

The share capital consists of 100,500,002 shares of a nominal value of DKK 1. No shares carry any special rights.

Number of shares at 1 January	100,500,002	100,500,002
Capital increase	0	0
Number of shares at 1 January	**100,500,002**	**100,500,002**

Cash Flow Statement 1 January – 31 December

Group

	Note	2015 DKK '000	2014 DKK '000
Profit before financial income and expenses		**559,024**	**254,203**
Adjustments for income statement items without cash effect	34	(192,889)	(209,723)
Change in working capital	35	(276,594)	84,976
Cash flow from operating activities before financial items		**89,451**	**129,456**
Financial income recieved		1,059	3,385
Financial expenses paid		(92,803)	(64,610)
Cash flow from operating activities		**(2,203)**	**68,231**
Purchase of intangible assets		0	(616)
Purchase of tangible assets		(85,532)	(63,473)
Net acquisition of subsidiaries	32	(90,282)	0
Sale of tangible assets		0	(15)
Cash flow from investing activities		**(175,814)**	**(64,104)**
Capital increases from non-controling interests		19,777	0
Repayment of mortgage		(1,024,053)	(8,176)
Mortgage obtained		1,312,373)	13,872
Dividend paid		(215,039)	0
Cash flow from financing activities		**92,458**	**5,695**
Cash from acquisition of subsidiaries		23,497	0
Change in cash and cash equivalents		**(62,062)**	**9,821**
Cash and cash equivalents at 1 January		116,557	106,736
Cash and cash equivalents at 31 December		**54,495**	**116,557**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		54,495	116,557
Cash and cash equivalents at 31 December		**54,495**	**116,557**

Notes to the Financial Statements

Group

Note 1 – Accounting policies for the Financial Statements

The Annual Report of Solstra Investments A/S Group for 2015 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and additional Danish requirements applying to presentation of Annual Reports of large enterprises of reporting class C, cf the Danish Executive Order on Adoption of IFRSs issued pursuant to the Danish Financial Statements Act.

The accounting policies applied remain unchanged from last year.

Solstra Investments A/S is a public limited company and its registered office is in Copenhagen, Denmark.

New standards, amendments and interpretations not yet adopted

The Group has adopted all new or amended standards and interpretations from 1 January 2015. The adoption of the amended standards and interpretations has not had an impact on recognition or measurement in the financial statements.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements, except for the following set out below:

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018, and earlier application is permitted.

IFRS 9, 'Financial Instruments' was issued in 2014 as a complete version of the standard. IFRS 9 replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The new IFRS 16, leasing standard changes the accounting treatment of leases which are currently treated as operating leases. The standard requires that all leases, regardless of type and with few exceptions, must be recognised in the lessee's balance sheet as an asset with a related liability. Besides, the lessee's income statement will be affected as the annual leasing costs will in future consist of two elements – depreciation and interest expenses – as opposed to now, where the annual costs relating to operating leases are recognised as one amount in other external expenses.

The Group is currently assessing the impacts of IFRS 15, IFRS 9 and IFRS 16.

No other IFRS or IFRIC interpretations are expected to have a material impact on the Group. The standards are expected to be implemented at their latest implementation date.

Presentation currency and functional currency
The Annual Report is presented in Danish kroner. The functional currency is Danish kroner.

Translation policies
A functional currency is determined for the enterprise. The functional currency is the currency used in the primary economic environment in which the enterprise operates. Transactions in other currencies than the functional currency are on initial recognition translated to the functional currency at the exchange rates prevailing at the date of the 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.

Receivables, payables and other monetary items in foreign currencies 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.

Consolidation policies
The Consolidated Financial Statements comprise the Parent Company Solstra Investments A/S and the underlying subsidiaries Copenhagen Chocolate Factory ApS, Magillum Investments ApS, Magillum Avedøre A/S, Scandinavian Design & Retail A/S, Investeringsselskabet BTPL ApS, Bella Solstra Holding A/S, Bella Solstra A/S, Hotelinvest Kalvebod A/S, BC Hospitality Group A/S and Bellakvarter Projektselskab A/S.

The subsidiaries' financial statements have been prepared in accordance with the same accounting policies as applied by the Parent Company. Where differencens between the accounting policy in the subsidiary and the Parent Company have occured, on top postings have been made to eliminate these differences.

The Consolidated Financial Statements have been prepared based on the financial statements of the individual enterprises by combining items of a uniform nature and subsequently eliminating intercompany income and expenses, shareholdings, dividends as well as realised and unrealised profits and losses on transactions between the consolidated enterprises. Unrealised losses are eliminated in the same way as unrealised profits to the extent that no impairment takes place.

The Parent Company's investments in subsidiaries are set off against the proportionate share of the subsidiary's fair value of identifiable net assets and recognised contingent liabilities at the time of acquisition.

Income statement

Revenue
Revenue primarily consists of income from hotel rooms; conferences; rental income from booths; other rental income; income from setting up and arranging booths and meeting facilities; electricity,

IT, tele and AV deliveries; services (parking, security, inspection of tickets etc.), as well as restaurant and catering services.

Revenue from sale of goods is recognised at the time of holding the event or meeting. Revenue from delivery of services is recognised at the rate of delivering the service. Revenue is determined less VAT, charges, payments to co-suppliers and discounts.

Cost of goods sold
Cost of goods sold comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance etc. as well as operation, administration and management of factories.

Value adjustment of investment property
The Group's investment property is measured at fair value and the value adjustments are recognised in the income statement.

Depreciation and impairment losses
Depreciation of property, plant and equipment is calculated on a straight-line basis based on cost and below assessment of the expected useful lives of the assets:

	Useful life (years)
Production buildings (incl. hotel property)	100
Exhibition and convention centres, auditoriums etc.	10-50
Other fixtures and operating equipment	1-15

Leasehold improvements are depreciated over the remaining lease term. Land and investment property are not depreciated.

Depreciation period and residual value are reassessed annually.

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

Depreciation is determined in consideration of the asset's residual value and reduced by any impairment losses. The residual value is determined at the date of acquisition and is assessed annually. If the residual value exceeds the carrying amount of the asset, depreciation ceases. Property, plant and equipment are derecognised on disposal or when no economic benefits are expected to flow to the Group in connection with use or disposal of the asset. Any gains or losses arising on derecognition of the asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in the income statement on derecognition of the asset.

Financial income and expenses
Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest, dividends, realised exchange adjustments, amortisation of mortgage loans as well as repayment under the on-account taxation scheme.

Tax on profit/loss for the year
Tax for the year consists of current tax for the year and deferred tax for the year less the portion of tax related to changes in equity. Current and deferred tax attributable to changes in equity is recognised

directly in equity. The Group is jointly taxed with group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation).

Jointly taxed companies which have paid too much tax are compensated as a minimum according to applicable rates for interest reimbursement by the administration company, just as jointly taxed companies with outstanding tax as a maximum pay a charge in accordance with applicable rates for interest charges to the administration company.

Balance sheet

Property and equipment
Property, plant and equipment comprise leasehold improvements, fixtures and operating equipment, property as well as assets in course of construction.

Leasehold improvements
Leasehold improvements as well as fixtures and operating equipment are measured at original acquisition cost plus subsequent additions less accumulated depreciation and impairment losses. The acquisition cost of combined assets is divided into separate components that are depreciated individually if the useful life of each component varies. Subsequent expenses, eg from replacing components in an asset, are recognised in the carrying amount of the asset in question when it is probable that the occurrence of costs will result in future economic benefits for the Group. The replaced components are derecognised in the balance sheet and the carrying amount is transferred to the income statement. All other expenses for ordinary repairs and maintenance are recognised in the income statement as incurred.

An impairment test is carried out in terms of leasehold improvements, fixtures and operating equipment if there are indications of impairment. The impairment test is performed for each asset and group of assets, respectively. The assets are written down to the higher of the asset's or group of assets' value in use and net selling price (recoverable amount) if this is lower than the carrying amount.

Properties and equipment
Property is in the balance sheet classified as investment property, production property and hotel property. Hotel property comprises the AC Hotel Bella Sky Copenhagen and the Copenhagen Marriot Hotel. Investment properties comprise show rooms, office leases and undeveloped sites at the BC Hospitality Group A/S and logistic building in Avedøre. Production properties comprise auditoriums, meeting facilities and halls.

The balance sheet value of properties comprises buildings and related site. Investment property and production property are initially recognised at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Other equipment is measured at purchase cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16. Revaluations or reversals of revaluations less deferred tax concerning production and hotel property are recognised in other comprehensive income under revaluation reserves. To the extent that an impairment loss on the same revalued asset was previously recognised in profit and loss, a reversal of that impairment loss is also recognised in the profit and loss. Impairment losses at a value below cost are recognised in the income statement. Value adjustment of investment property is recognised as a separate item in the income statement.

Finance leases
Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

Inventories
Inventories are measured at the lower of cost under the FIFO method and net realisable value. The cost of goods for resale, raw materials and consumables equals landed cost. The net realisable value of inventories is calculated as the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum. Management decided to change the strategy of building plots originally recognised as Investments Properties to Inventories as Management's intention is to sell these plots. The building plots have been transferred to the fair value at year end.

Receivables
Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions are determined on the basis of an individual assessment of the receivables that are estimated to be risky.

Equity
Distributable reserves are transferred to retained earnings as they are considered free reserves. Included in Other reserves/retained earnings is the hedging reserve that includes changes in the fair value of derivatives classified and qualifying as cash flow hedges. This practice was applicable until 31 December 2012. Proposed dividend is presented as a separate item under equity. Dividend is recognised as a liability at the time of declaration. Purchase and sale of own shares are recognised directly in equity under distributable reserves.

Outstanding payment of share capital has in accordance with Danish legislation been recognised according to the net method in the Financial Statements and disclosed as a special reserve in the statement of equity.

Dividend
Dividend distribution for the year proposed by Management is disclosed as a separate equity item.

Provisions
Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Taxes payable and deferred tax
Current tax liabilities 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.

Deferred 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, except for temporary differences arising on the date of acquisition of assets and liabilities and which neither affect profit/loss nor the taxable income.

In cases where determination of the tax base may be performed based on different taxation rules, deferred tax if measured based on Management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under long-term assets 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. Adjustment is made of deferred tax concerning elimination of unrealised intercompany profits and losses.

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.

Financial debts
Financial debts are recognised initially as the proceeds received net of transaction expenses occurred. Subsequently, interest-bearing debt is measured at amortised cost determined based on the effective interest rate at the time of borrowing. Remaining debt is measured at amortised cost, corresponding to nominal debt outstanding.

The amortisations from the original loans have been transferred to the new loans together with the new amortised costs, and will be amortised over the term of the new loans.

Derivative financial instruments
Derivative financial instruments, including cash flow hedges through interest rate swaps after tax, are recognised at fair value. Amortisation and changes in the fair values of derivative financial instruments are recognised in the income statement until the hedged transaction expires. If the hedged transaction results in an asset or a liability, the accumulated market value adjustment is recognised in the cost of the asset or liability, and if the transaction results in an income or a cost, the accumulated market value adjustment is recognised under financial items in the income statement together with the hedged item. Accumulated value adjustments of hedging instruments (interest rate swap) recognised in accordance with the hedging provisions in special reserve under equity and carried via the statement of comprehensive income are amortised as the interest rate swap is settled.

Cash flow statement
The cash flow statement shows the cash flows for the year, changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are presented indirectly and are calculated as the net profit/loss for the year adjusted for changes in non-cash operating items, changes in working capital, paid financial items and paid corporation tax.

Cash flows from investing activities comprise payments in connection with purchase and sale of property, plant and equipment as well as securities attributable to investing activities.

Cash flows from financing activities comprise dividend distribution to shareholders, capital increases and reductions as well as raising of loans and repayment of interest-bearing debt.

Cash and cash equivalents comprise "Cash at bank and in hand" and short-term securities with an insignificant risk of value changes that can readily be turned into cash.

Financial ratios
The financial ratios have been prepared in accordance with the latest "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts.

Gross margin:
Gross profit (contribution margin) / Revenue * 100

Profit margin:
Net profit before financial income and expenses / Revenue * 100

Return on assets:
Net profit before financial income and expenses /Average assets * 100

Solvency ratio:
Equity/Assets * 100

Return on equity:
Net profit for the year/Average equity * 100

Note 2 – Significant accounting estimates and assessments

On application of the Group's accounting policies as described in note 1, Management is required to perform assessments and use estimates as well as prepare assumptions for the carrying amount of assets and liabilities, which cannot be directly derived from other sources. These estimates and assumptions are based on historical experience and other relevant factors. Actual outcome may differ from these estimates.

The performed estimates and underlying assumptions are reassessed on an ongoing basis. Changes to accounting estimates are recognised in the period in which the change takes place and in future accounting periods if the change has an effect on both current and subsequent accounting periods.

In connection with the practical application of the described accounting policies, Management has performed the following significant accounting assessments which have had an effect on the financial statements.

Fair value adjustment of properties

Investment, production and hotel properties are measured at fair value. Value adjustment of investment property is charged to the income statement and value adjustment of production property is charged to other comprehensive income.

To provide an indication of the reliability of the input used in determining fair value, the Group has classified its financial assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level is provided in Note 26 – Fair value hierarchy

At the end of each reporting period, Management updates their assessment of the fair value of each property, taking into account the most recent market conditions and independent valuation reports. Management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, Management considers information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence.

The measurements contain several elements based on Management's estimate of current market conditions, including discount rate, capital structure and growth rate. For a detailed description of estimated assumptions and sensitivity analysis, please refer to current asset notes.

Fair value measurements are performed unchanged based on the capitalised value of Management's statement of expected annual cash generated from operations in a going concern context based on the required market rate of return.

All resulting fair value estimates for properties are included in level 3 the Fair value hierarchy in Note 26 – Fair value hierarchy.

Capital structure
Management anticipates to have sufficient liquidity at its disposal to support the Group's ordinary activities, payment of the Group's financial commitments and ordinary investments and consequently, the financial statements are presented under the going concern assumption. The cash resources have been determined in accordance with available operating and cash budgets for the Group approved by the Board of Directors.

Deferred taxes
The deferred tax assets include an amount of DKK 72,551k, of which DKK 69,179k relates to tax loss carry forward from financial expenses caps. The Group has concluded that the deferred assets will be recoverable using the estimated future taxable income from finance activities based on the approved business plans and budgets.

	2015 DKK '000	2014 DKK '000
Note 3 – Revenue		
Sale of services	536,462	223,657
Sale of goods	380,484	475,580
	916,946	**699,237**

Note 4 – Staff expenses

Wages and salaries	243,540	200,414
Pensions, defined contribution plans	19,218	14,110
Social security costs	5,228	0
Other staff related costs	1,252	3,460
	269,238	**217,984**
Average number of employees	**653**	**462**

The Board of Directors and Executive Board do not receive remuneration.

Note 5 – Other operating income, net

Reversal of previous years impairment	168,068	0
Negative goodwill from acquisistion	39,826	0
Reversal of previous years impairment	9,538	138,759
Fair value adjustment on investment properties	279,792	110,536
Other	165	(15,459)
	497,389	**233,836**

Note 6 – Depreciation and amortisation

Software	151	191
Completed development projects	386	313
Leasehold improvements	3,290	3,175
Equipment	36,263	21,312
Production properties	14,587	12,780
Hotel properties	17,084	11,783
Other	0	1,128
	71,761	**50,682**

Note 7 – Financial income

Gain on sales on shares	0	1,850
Fair value adjustment of interest rate swap	31,012	0
Received dividend	0	150
Other financial income	1,059	1,385
	32,071	**3,385**

Note 8 – Financial expenses

	2015 DKK '000	2014 DKK '000
Interest to group enterprises	5,254	2,216
Fair value adjustment of interest rate swap	1,536	65,755
Interest on long-term debt	87,549	62,394
Reclassification of previous fair value adjustments on the interest swap	31,364	37,365
Other financial expenses	14,834	8,251
Less: Finance costs capitalised within investment property (Note 16)	(3,054)	0
	137,483	175,981

The capitalised borrowing compromise finance costs relates to the development of Bella Kvarter and is estimated at the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 2.2%.

Note 9 – Tax on profit for the year

	2015 DKK '000	2014 DKK '000
Adjustment of previous years taxes	(9,665)	(2,898)
Change in deferred tax	(22,153	(8,447)
Tax on profit	0	0
Change in corporate tax rate	3,615	4,719
	(28,203)	(6,626)
Distributed as follows:		
Income tax expense	(21,473)	(29,432)
Tax on other comprehensive income	(6,730)	22,806
	(28,203)	(6,626)

The effective tax rate is computed as followed, in %		
Danish tax rate	23.5	24.5
Non taxable income/expenses	(37.1)	0
Effect of non-capitalised derferred tax	18.4	17.4
Adjustment because of reduced tax rate	(0.1)	(5.8)
Effective tax rate	4.7	36.1

	2015 DKK '000	2014 DKK '000
Note 10 – Software		
At 1 January	936	888
Additions	59	48
At 31 December	995	936
Accumulated depreciation		
At 1 January	758	567
Depreciation for the year	151	191
At 31 December	909	758
Carrying amount at 31 December 2015	**86**	**178**

Note 11 – Completed development projects

At 1 January	1,929	1,361
Additions	0	568
At 31 December	1,929	1,929
Accumulated depreciation		
At 1 January	634	321
Depreciation for the year	386	313
At 31 December	1,020	634
Carrying amount at 31 December 2015	**909**	**1,295**

Note 12 – Leasehold improvements

At 1 January	49,597	48,923
Additions	1,729	674
Disposals	(2,805)	0
At 31 December	48,521	49,597
Accumulated depreciation		
At 1 January	39,603	36,428
Depreciation for the year	3,290	3,175
Reversal of depreciation of divested assets	(2,788)	0
At 31 December	40,105	39,603
Carrying amount at 31 December 2015	**8,416**	**9,994**

	2015 DKK '000	2014 DKK '000
Note 13 – Equipment		
At 1 January	245,855	234,591
Additions from acquisitions	31,824	0
Additions	48,418	19,591
Disposals	(19,743)	(8,327)
At 31 December	306,354	245,855
Depreciation		
At 1 January	123,951	111,510
Depreciation	36,263	20,768
Reversal of depreciation of divested assets	(17,319)	(8,327)
Depreciation at 31 December	142,895	123,951
Carrying amount at 31 December 2015	**163,459**	**121,904**
Finance lease assets	*9,553*	*10,144*

Of the finance lease assets the short term assets amount to DKK 2.900k.

Note 14 – Production properties	2015 DKK '000	2014 DKK '000
Halls/Auditoriums/Meeting facilities		
Costs		
At 1 January	624,052	599,236
Additions	11,218	26,285
Disposals	(26,340)	(1,469)
At 31 December	608,930	624,052
Revaluation		
At 1 January	19,648	149,240
Revaluation	5,518	0
Reversal of previous revaluation	0	(129,592)
At 31 December	25,166	19,648
Depreciation		
At 1 January	190,083	178,772
Depreciation	14,587	12,780
Reversal of depreciation of divested assets	(8,207)	(1,469)
Depreciation at 31 December	196,463	190,083
Carrying amount at 31 December 2015	**437,633**	**453,617**
Difference between carrying amount at 31 December and carrying amount if the revaluation was not entered	0	0

Production property
The fair value of production property as of 31 December is determined by discounting expected cash flows by a discount rate of 7.4% (2014: 7,4%). Income from production comprises income from events, including a specific projection of rent, additional sales as well as catering split up into fairs, meetings, conferences, conventions, concerts, company events etc.

Sensitivity – value adjustment of production property
Value adjustment of property depends on the development in the discount rate, expected cash flow and expected growth rate.
In the case of production activity, a change in the discount rate of +/- 0.25 percentage point, or a permanent change in results before tax of +/- DKK 2.5 million will affect the assessment value by +/- DKK 20-30 million. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point affects the assessment value by +/- DKK 15-25 million. Revaluation of DKK 5,489k from the fair value adjustment is recognised per 31 December as fair value adjustment of property in the Statement of Other Comprehensive Income.

Note 15 – Hotel properties (Production property)

	2015 DKK '000	2014 DKK '000
Cost		
At 1 January	1,596,899	1,600,538
Additions from acquisitions	595,973	0
Additions	3,036	398
Disposals	(759)	(4,037)
At 31 December	2,195,149	1,596,899
Value adjustments		
At 1 January	0	0
Revaluation	264,967	0
At 31 December	264,967	0
Depreciation		
Impairment losses and depreciation at 1 January	152,058	279,034
Depreciation for the year	17,084	11,783
Reversal of previous years impairment	(9,538)	(138,759)
Depreciation at 31 December	159,604	152,058
Carrying amount at 31 December 2015	**2,300,512**	**1,444,841**
Difference between carrying amount at 31 December and carrying amount if the revaluation was not entered	246,121	88,931

Hotel property

The fair value of hotel properties at 31 December is determined by discounting expected cash flows by a discount rate of 6,7% (2014: 6,5%). Income from hotel activities comprises income from booking of hotel rooms as well as meetings and events, including a specific projection of room booking per customer segment and sale of meeting rooms for rent and catering (distribution 65/35).

An impairment loss of DKK 250 million was recognised in respect of the hotel property, Copenhagen Bella Sky in 2011, consequently the fair value adjustment of DKK 9,538k has been recognised as a reversal impairments.

Sensitivity – value adjustment of hotel property

Value adjustment of property depends on the development in the discount rate, expected cash flow and expected growth rate. In case of hotel activity, a change in the discount rate of +/- 0.25 percentage point, or a permanent change in results before tax of +/- DKK 2.5 million will affect the land assessment value by +/- DKK 115-125 million and +/- DKK 100 million, respectively. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point will affect the land assessment value by +/- DKK 90-100 million.

Note 16 – Investment properties **Rental, undeveloped land area**	2015 DKK '000	2014 DKK '000
Costs		
At 1 January	487,172	522,805
Additions	21,131	8,112
Disposal	0	(43,745)
At 31 December	508,303	487,172
Value adjustments		
At 1 January	401,343	247,061
Revaluation	73,118	154,282
Transferred to Inventories, Property held for sale	(79,095)	0
At 31 December	395,366	401,343
Carrying amount at 31 December 2015	**903,669**	**888,515**
Undeveloped land area (m^2)	*268,340*	*305,240*

Land development costs related to building rights: DKK 12,159k
Transferred to inventory: DKK 79,095k (ref note 18)

Rental revenue	*43,553*	*40,558*
Related costs to rented areas	*9,556*	*10,101*

Undeveloped land area
The fair value of 268,340 square metres amounting to DKK 103 million at 31 December 2015 (2014: DKK 135 million) is determined by an estimated m^2 price multiplied by the actual m^2 from the approved masterplan less a deduction of the profit margin to the Municipality of Copenhagen on undeveloped land as stated in the conveyance deed.

Rental property
The fair value of investment properties at 31 December is determined by discounting expected cash flows by a discount rate of 4.4% (2014: 4.4%) as well as an assumption of return for the investment property which is 8.5%. Income from lease activities comprises income from long-term office leases and show rooms, including a specific projection of expected rent per lease as well as the divestment value of undeveloped sites. The value of investment property is DKK 809 million in 2015, which includes the value of building rights. Projected/contracted settlements of approximately 37,000 square metres and building rights of approximately 268,000 square metres amounting to DKK 103 million (2014: DKK 135 million) are recognised in the balance sheet.

Sensitivity – value adjustment of investment property
Value adjustment of property depends on the development in the discount rate, expected cash flow and expected growth rate.

In case of renting activity, a change in the discount rate of a +/- 0.25 percentage point or a permanent change in results before tax of +/- DKK 2.5 million will affect the land assessment value by +/- DKK 50 million. The sensitivity related to fluctuations in the growth rate of +/- 0.25 percentage point will affect the land assessment value by +/- DKK 50 million.

	2015 DKK '000	2014 DKK '000
Note 17 – Deposits		
Cost at 1 January	1,895	3,435
Additions	0	0
Disposals	208	(1,540)
Cost at 31 December	**2,103**	**1,895**

Note 18 – Inventories

Property held for sale		
At 1 January	17,528	0
Additions, transfer from investment property	79,095	0
Additions, properties under construction	56,335	17,528
Disposals	0	0
At 31 December	152,958	17,528
Developed land area in progress (square metres)	*36,900*	*0*
Inventories		
Raw materials and consumables	932	3,952
Work in progress	476	310
Finished goods	8,964	7,533
At 31 December	10,372	11,795
Cost of sales (from finished goods)	*94,529*	*83,747*
Carrying amount at 31 December 2015	**163,330**	**29,323**

Note 19 – Trade receivables

	2015 DKK '000	2014 DKK '000
Trade receivables	88,873	64,850
Provision for doubtful receivables	(2,565)	(1,861)
	86,308	**62,989**
Trade receivables from related companies	0	2,515
	86,308	**65,504**

Write downs which included the above receivables have developed as follows:		
At 1 January	1,861	3,986
Change in provision	704	(2,125)
At 31 December	2,565	1,861

In addition receivables at 31/12 were overdue, but not impaired as follows:		
Up to 30 days	7,217	6,549
Between 30 days and 90 days	2,122	3,764
Over 90 days	7,103	3,642
Overdue net receivables at 31 December	16,442	13,955

Note 20 – Other receivables

Prepaid expenses	6,682	4,522
Other receivables	29,565	18,368
Other receivables at 31 December	**36,247**	**22,890**

Note 21 – Cash and cash equivalents

Restricted cash at bank amounting to DKK 15 million and DKK 10 million are restricted until May 2015 and January 2016, respectively.

Note 22 – Non-controlling interests

1 January	162,358	158,679
Additions/disposals for the year	22,197	(1,327)
Net profit for the year	9,636	17,648
Other comprehensive income for the year	5,458	(12,642)
Non-controlling interests at 31 December	**199,649**	**162,358**

Note 23 – Deferred tax	2015 DKK '000	2014 DKK '000
Deferred tax at 1 January	143,070	140,695
Taxes from acquisitions	91,666	0
Taxes from merged companies	(2,542)	(7,408)
Adjustments in derferred tax	15,423	(14,656)
Adjustments in deferred tax because of changed tax rate	(3,615)	(4,719)
Adjustments in deferred tax of other comprehensive income	6,730	29,158
Deferred tax at 31 December	**250,732**	**143,070**

	Deferred tax asset 2015 DKK '000	Deferred tax liability 2015 DKK '000	Deferred tax asset 2014 DKK '000	Deferred tax liability 2014 DKK '000
Tangible assets	0	323,283	0	208,240
Receivables	758	0	579	0
Long-term debt	2,239	0	3,525	0
Other payables	375	0	675	0
Tax loss	69,179	0	60,391	0
Total deferred tax	**72,551**	**323,283**	**65,170**	**208,240**

Tax losses are recognised in deferred tax assets to the extent that the losses are expected to be utilised in future taxable profits.

Note 24 – Deposits	2015 DKK '000	2014 DKK '000
Cost at 1 January	16,493	17,076
Additions	1,352	0
Disposals	0	(583)
Cost at 31 December	**17,845**	**16,493**

Note 25 – Financial obligations	2015 DKK '000	2014 DKK '000
Loans and receivables at amortised cost		
Deposits	2,103	1,895
Trade receivables	86,308	65,504
Other receivables	36,247	22,980
Cash	54,495	116,557
Loans and receivables, total	179,153	206,936

The carrying amount of financial assets is a good approximation for the fair value.

Financial obligations at amortised cost		
Credit institutions	2,141,671	1,394,514
Borrowings	92,045	74,870
Deposits	17,845	16,463
Trade payables	90,272	68,094
Other payables	53,236	73,046
Loans and receivables, total	2,395,069	1,626,987

Financial obligations at fair value through other comprehensive income		
Interest rate swap	212,040	241,516

The fair value of the interest rate swap is recognised according to the accounting principles of investment activities. In 2015 DKK 29,476k net was recognised as financial income (2014: DKK (65,755)k). The interest rate swaps expires in 2030.

Financial obligations, total	2,607,111	1,906,002

Financial obligations at amortized cost		
Within 1 year	367,461	471,681
Between 1 and 5 years	1,595,182	381,279
Between 5 and 10 year	583,120	401,581
Between 10 and 15 years	427,071	507,981
More than 15 years	240,551	487,040
Gross value at 31 December	3,212,385	2,249,562
Of this amortisation and interest	(693,780)	(496,300)
Financial obligations at amortised cost at 31 December	2,519,605	1,753,262

Financial obligations constitute a gross value which is determined as the sum of interest and repayment of payables as regards loan creditors, trade creditors and other payment obligations due in the intervals indicated. Liabilities with no fixed maturity, including overdraft facilities, deposits etc. are recognised as due within 1 year.

	2015	2014
	DKK '000	DKK '000
Financial obligations at fair value		
Within 1 year	258,622	418,971
Between 1 and 5 years	1,225,252	199,214
Between 5 and 10 year	434,419	241,088
Between 10 and 15 years	368,640	424,764
More than 15 years	232,672	469,225
Fair value at 31 December	2,519,605	1,753,262

Financial obligations also constitute a gross value which is determined exclusive of interest and inclusive of exchange losses etc. when early repaid.

To eliminate the risk of fluctuations in interest payments, interest rate swap agreements have been entered into as regards the Group's long-term mortgage loans. The Group has entered into the following swap contracts:

- Nordea - DKK 750 million CIBOR6 interest rate at a fixed interest rate of 5.067%, which expires on 30 December 2030.
- Danske Bank - DKK 488 milion CIBOR6 interest rate at a fixed interest rate of 0.2140%, which expires on 31 March 2018.

In case of early repayment of the Group's floating-rate mortgage loans hedged by fixed-rate interest rate swaps, the cost payable on redemption will be subject to supplementary payment of the discounted present value of interest rate differences between the borrowing rate and the swap interest rate until maturity of the interest rate swap. Consequently, the negative fair value of interest rate swaps at 31 December 2015 is included in the balance sheet under short-term payables. The calculated present value based on expected interest rate differences is determined by the provider of the interest rate swaps.

The hedging reserve in equity comprises the market value of swap agreements entered into, which at the balance sheet date constituted DKK 115,819k after tax (recognised under other reserves in the Equity statement at 31 December 2015). As the Group has ceased applying the provisions on hedge accounting from 1 January 2013, the reserve includes value adjustments up until this date, adjusted for subsequent reclassifications of the income statement via other comprehensive income.

In 2015, a positive DKK 31,012k and an expense of DKK 1,536 (2014: Expense DKK 65,755) were recognised under financial items in the income statement because of the swap contracts entered into. Fair value adjustments are recognised under financial items in the income statement and in other comprehensive income:

			2015			2014
	Adjusted through profit and loss	**Adjusted through other comprehensive income**	**Fair value**	**Adjusted through profit and loss**	**Adjusted through other comprehensive income**	**Fair value**
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Interest rate swap, gross	(1,536)	0	1,536	0	0	0
Interest rate swap, gross	(352)	31,364	210,504	(103,120)	37,365	241,516
	(1,888)	**31,364**	**212,040**	**(103,120)**	**37,365**	**241,516**

Note 26 – Fair value hierarchy

	Level 1 DKK '000	Level 2 DKK '000	2015 Level 3 DKK '000
Disclosures about assets and liabilities determined at fair value			
Liabilities measured at fair value			
Financial liabilities, negative market value of interest rate swap		212,040[1)]	
Assets measured at fair value			
Investment property			903,669
Production property			437,634
Hotel property			2,300,512

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

	Level 1 DKK '000	Level 2 DKK '000	2014 Level 3 DKK '000
Disclosures about assets and liabilities determined at fair value			
Liabilities measured at fair value			
Financial liabilities, negative market value of interest rate swap		241,516[1)]	
Assets measured at fair value			
Investment property			888,515
Production property			453,617
Hotel property			1,444,841

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

Investment property comprises showrooms, office leases, storage building and undeveloped sites. Production property comprises auditoriums, conference facilities and halls. The fair value of property comprises properties including land. Properties are measured at fair value without the assistance of an external real estate appraiser. The capitalised value (NPV) is allocated on negotiable assets, primarily property. Cash flows are determined according to the DCF model (Discounted Cash Flow).

Cash flows are based on an operating forecast prepared by the Group's Management. Following a five-year forecast period, a 'terminal operating year' is calculated, which is adjusted by an annual growth rate of 2% going forward (2014: 2%). Please refer to note 1 for additional information on fair value measurement. Main assumptions applied in the five-year forecast period:

1) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The value is in accordance with the information from Nordea and Danske Bank.

	2015 DKK '000	2014 DKK '000
Note 27 – Recognised fair value measurements		
Investment properties		
Rental income etc. year 1	44,055	42,990
Average annual revenue growth 2015-2020 (2014: 2014-2019)	1.15%	4%
Annual idle rent	6-10%	6-10%
Growth rate from 2021, estimated (2014: 2020)	1.15%	1.25%
Net initial yields used	8.50%	8.50%
Production property		
Revenue etc. year 1	442,430	327,529
Average annual revenue growth 2015-2020 (2014: 2014-2019)	2%	2%
Growth rate from 2021, estimated (2014: 2020)	2%	2%
Hotel property		
Revenue etc. year 1	467,885	251,699
Average annual revenue growth 2015-2020 (2014: 2014-2019)	2%	3%
Average annual increase in occupancy levels	1%	1%
Growth rate from 2021, estimated (2014: 2020)	1.50%	1.50%

Note 28 – Collateral

The following assets have been provided as collateral for debt to credit institutions:

Production and investment property, carrying amount	3,262,152	2,786,973
	3,262,152	2,786,973

Further pledge of shares in subsidiaries and bank accounts have been entered into as collateral.

Collateral has been provided through the following:		
Mortgage, Nordea Kredit Realkredit A/S	330,004	109,349
Mortgage, Nordea Kredit Realkredit A/S	109,412	39,970
Mortgage, Nordea Kredit Realkredit A/S	146,589	111,854
Mortgage, Nordea Kredit Realkredit A/S	756,374	750,696
Mortgage, Nordea Kredit Realkredit A/S	0	330,004
Mortgage, Nordea Kredit Realkredit A/S	300,000	0
Mortgage, Nordea Kredit Realkredit A/S	45,000	45,000
Danske Bank	470,009	0
Mortgage deed registered to the mortgagor	312,000	115,000
Total	2,469,388	1,501,873

Note 29 - Contingent liabilities and other financial obligations

The Group has entered into operating lease agreements for offices and warehouses, cars and equipment. The lease terms are up to 10 years, and the majority of the lease agreements are renewable at the end of the lease period at market rate. Future minimum lease payments under operating lease contracts and rent commitments amount to:

	2015	2014
Within 1 year		
Operational rental obligations	14,811	14,801
Operational lease obligations	2,568	2,423
	17,379	17,224
Between 1 and 5 years		
Operational rental obligations	49,372	49,834
Operational lease obligations	1,722	2,283
	51,094	52,117
After 5 years		
Operational rental obligations	2,933	3,098
Operational lease obligations	0	0
	2,933	3,098
Rent expenses charged to the income statement during the year	16,404	12,851
Lease expenses charged to the income statement during the year	2,571	3,017
Total expenses charged to the income statement during the year	**18,975**	**15,868**

Finance leases

The Group has entered into finance leases for fixtures and fittings. At the end of the leases, the Group has the option to acquire the assets at favourable prices. The leased assets are pledged as collateral for leasing obligations.

Obligations under finance leases are included under debt to credit institutions:

	2015		2014	
	Minimum lease payments DKK '000	Fair value of minimum lease payments DKK '000	Minimum lease payments DKK '000	Fair value of minimum lease payments DKK '000
Within 1 year	2,868	2,656	2,445	2,222
1-5 years	7,603	5,754	8,428	6,191
After 5 years	5	3	446	252
	10,476	8,413	11,319	8,665
Interest element	(938)	0	(1,158)	0
Fair value	**9,538**	**8,413**	**10,161**	**8,665**

Contingent liabilities

The Danish Group companies are jointly and severally liable for tax of the group's jointly taxed income etc. for 2015. The total amount is stated in the Annual Report of 'Solstra Investments A/S', which is the administration company in relation to the joint taxation.

Note 30 - Financial risks

Risk management policy of the Group

Due to its operation, investments and financing, the Group is exposed to changes in exchange rates and interest-rate levels. It is the Group's policy not to speculate in financial risks. The Group's financial management is therefore solely aimed at management of financial risks directly related to the Group's operation and financing.

It is Management's objective to have a solvency ratio between 25% - 30%. Aside from an overdraft facility that manages the normal fluctuations from the working capital, Management aims at primarily long-term mortgage financing with a loan-to-value ratio around 60%.

Currency risks

Most of the Group's income and expenses are in DKK. Approximately 8% of the Group's revenue is invoiced in EUR. Exposures in EUR are not hedged. The Group believes this does not involve significant risk. Certain investments and purchases are handled in EUR. No loans have been raised in foreign currencies.

Interest rate risks

Most of the Group's financing comprises long-term floating-rate mortgage loans. In 2008 - 2010, interest-rate hedging was agreed for 20-year mortgage loans of DKK 750 million. In 2015 interest rate hedging was agreed for 3 years loan of DKK 488 million. A discount to net present value of the interest rate difference between floating-rate loans and the fixed-rate interest rate swaps constitutes a negative DKK 212 million (2014: a negative DKK 241,5 million), also known as the market value on early repayment.

Remaining mortgage consists of floating-rate F3, S3 or CIBOR6-based loans. Current bank loans comprise floating-rate NBOR bank overdraft and a fixed rate bank loan. The interest-rate hedging of mortgage loans has been performed to reduce the business risks related to market rate fluctuations. Interest-rate hedging is settled by the Executive Board in cooperation with the Group's Chairman of the Board of Directors and in connection with the specific investment project. At the end of 2015, the interest-rate hedging covered approximately 58% (2014: 53%) of the total mortgage debt. In general, Management does not see any advantages in hedging in the current or the future market.

The Group has performed a sensitivity analysis on the part of the debt not covered by interest-rate hedging. The sensitivity related to fluctuations in the interest rate is based on the assumption that the rate can decrease as low as zero or increase by 1% from the 2015 level and will affect the interest costs in the range + DKK 2 million/- DKK 5 million. Please refer to property notes for details on the sensitivity related to interest on return underlying measurement of property.

Liquidity risks

The Group's liquidity risks are linked to short-term loan agreements with credit institutions, corresponding to secured mortgage debt. Terms and conditions for the Group's credit are negotiated with the credit institutions on an ongoing basis. The Group aims at settling as much of the Group's loan financing as possible. Repayment obligations at 31 December 2015 appear from Note 25 – Financial obligations.

The Group's cash resources consist of cash and unutilised credit facilities. It is the Group's goal to have sufficient cash resources to be able to act appropriately in case of unforeseen fluctuations in cash. The Group's liquidity is managed based on projection of the operation and expected ingoing and outgoing payments. The projections are updated frequently. The frequency is adjusted to the size of the undrawn credit facilities.

Credit risk

Short-term lease of the Group's facilities is usually accompanied by prepayments from customers. A credit sale is mainly used in connection with deliveries related to the individual events. A credit risk arises in connection with fluctuations in trade receivable balances, prepayments as well as sub-suppliers. The maximum credit risk corresponds to the carrying amounts recognised in the balance sheet. The exposure to credit risk from trade receivables, payment terms and credit limits are determined based on an assessment of the customer, including the customer's financial position and the current market conditions.

Capital management

The purpose of capital management is to ensure sufficient return on investments and fulfilment of credit agreements and other liabilities. The Group aims at generating a competitive operating income which is reflected in the discount rates on which measurement of the properties is based. In addition to the Group's operation, equity is affected by value adjustment of properties, either via the income statement (investment property) or directly in the revaluation reserve (production property). The operation of the properties is currently monitored and managed, which results in projections of the income development, which in turn are used for measurement in the balance sheet. The financing strategy is determined in cooperation with the Board of Directors and the Group's main bank connections and is revised as required and in connection with major investment projects. At least once a year, the composition and the terms of all loan financing are assessed. In this connection, the optimal capital structure for the Group in the future is considered. All insurance matters are assessed once a year in cooperation with external consultants.

Note 31 – Related party transactions

The Group is controlled by intermediate Company Solstra Holdings Cyprus Ltd, Cyprus.

Related parties are considered to be the Board of Directors and Solstra Investments A/S' subsidiaries as well as Solstra Investments A/S, intermediate and ultimate parent companies (see note I to the Parent Company Financial Statements).

The Group has had transactions with shareholders related to inter-company receivables and payables, the balances are disclosed in the balance and in note 19. Interests received and paid to group enterprises are disclosed in the balance and notes 7 and 8.

Dividends to shareholders are disclosed in the statement of changes in equity.

Note 32 – Business acqusistion

On January 7 2015 the Group has acquired 100% of Hotelinvest Kalvebod A/S, which operates and owns the Marriott hotel in Copenhagen. The net assets acquired supersedes the cost price by DKK 39,826k, for which reason a negative goodwill is recognised in Note 5 – Other operating income, net.

The final purchase price allocation for business acquired in 2015 are as follows:

	Group 2015
	DKK '000
The assumed fair value of acquired assets and liabilities is as follows:	
Building	595,973
Equipment	38,884
Current assets	15,648
Cash and cash equivalents	23,497
Provisions	(23,606)
Long-term bank debt	(493,755)
Current liabilities	(26,553)
Acquired net assets	130,088
The purchace price is as follows:	
Cash	90,262
Total purchace price	90,262
Negative goodwill (Badwill)	**39,826**

	2015	2014
	DKK '000	DKK '000
Note 33 – Fees to statutory auditors		
Statutory audit	985	936
Audit related services	721	150
Tax services	2,112	783
Other services	823	660
	4,641	**2,529**

	2015	2014
	DKK '000	DKK '000
Note 34 – Cash flow statement, Adjustments for income statement items without cash effect		
Depreciation and amortisation	71,761	50,682
Profit/loss on disposal of property, plant and equipment	19,987	0
Reversal of depreciations	(9,538)	(138,759)
Value adjustments of investment properties	(279,792)	(110,537)
Provision for doubtful receivables	704	(2,145)
Other adjustments	3,989	(8,965)
	(192,889)	(209,723)

Note 35 – Cash flow statement, change in working capital

	2015	2014
Change in inventories	(134,007)	(2,193)
Change in receivables	(20,804)	1,869
Change in other receivables	(13,357)	0
Change in trade payables	22,178	14,290
Change in prepayments received from customers	(8,199)	11,170
Change in payables to group enterprises	(103,978)	91,349
Change in other payables	(19,809)	(30,896)
Change in deposits	1,382	(613)
	(276,594)	84,976

Income Statement of 1 January – 31 December

Parent Company

	Note	2015 DKK '000	2014 DKK '000
Revenue	B	7,550	8,240
Other external costs		(9,233)	(15,382)
Staff expenses	C	(6,966)	(4,460)
Gross profit		**(8,649)**	**(11,602)**
Other operating income, net		168,068	0
Profit before financial income and expenses		159,419	(11,602)
Income from dividend and sale of subsidiaries		0	2,000
Financial income	D	6,637	6,766
Financial expenses	E	(7,474)	(6,075)
Profit before tax		**158,582**	**(8,911)**
Tax on profit for the year	F	(2,846)	(5,066)
Net profit for the year		**155,736**	**(3,845)**
Proposed distribution of profit			
Retained earnings		(155,736)	(3,845)
		155,736	**(3,845)**

Balance Sheet 31 December - Assets

Parent Company

	Note	2015 DKK '000	2014 DKK '000
Assets			
Investment in subsidiaries	G	77,928	78,013
Financial assets		**77,928**	**78,013**
Non-current assets		**77,928**	**78,013**
Receivables from group enterprises		231,565	299,415
Other receivables		11,856	12,796
Corporate tax		0	4,236
Cash at bank and in hand		14,320	102,248
Current assets		**257,741**	**418,695**
Total assets		**335,669**	**496,708**

Balance Sheet 31 December – Liabilities and Equity

Parent Company

	Note	2015 DKK '000	2014 DKK '000
Liabilities and equity			
Share capital		100,500	100,500
Retained earnings		223,069	256,880
Proposed dividend for the year		0	24,405
Equity		323,569	381,785
Trade payables		3,013	4,829
Payables to group enterprises		7,275	110,094
Corporate tax		705	0
Other payables		1,107	0
Current liabilities		12,100	114,923
Total liabilities and equity		335,669	496,708

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Statement of Changes in Equity

Parent Company

	Share capital	Retained earnings	Proposed dividend for the year	Total equity
	DKK '000	DKK '000	DKK '000	DKK '000
At 1 January 2014	100,500	285,130	0	385,630
Ordinary dividend proposed	0	(24,405)	24,405	0
Net profit/loss for the year	0	(3,845)	0	(3,845)
At 31 December 2014	**100,500**	**256,880**	**24,405**	**381,785**
At 1 January 2015	**105,500**	**256,880**	**24,405**	**381,785**
Adjustment opening balance from merger	0	1,087	0	1,087
Dividend paid	0	0	(24,405)	(24,405)
Interim dividend for the year	0	(190,634)	0	(190,634)
Net profit/loss for the year	0	155,736	0	155,736
At 31 December 2015	**100,500**	**223,069**	**0**	**323,569**

The share capital consists of 100,500,002 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes to Financial Statement

Parent Company

Note A – Accounting policies for the Parent Company

Restatement of comparative figures

At 1 January 2015, Solstra Investments A/S merged with the wholly owned affiliated company Administrationsselskabet af 29. September 2009 ApS. The figures for Administrationsselskabet af 29. September 2009 ApS have been incorporated in the figures for Solstra Investments A/S as of the merger date.

Management has for the financial year 1 January 2015 – 31 December 2015 opted for early adoption of Section 123(2) of the Danish Financial Statements Act regarding the uniting-of-interests method entering into force for financial years beginning 1 January 2016 or later, according to Danish Act No. 738 of 1 June 2015.

The early adoption implies that the Company's intercompany associations are deemed to have taken place at the time of acquisition at the carrying amounts. Therefore no adjustment of comparative figures is made.

Basis of Preparation

The Annual Report of the Parent Company Solstra Investments A/S has been prepared in accordance in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Solstra Investments A/S is a public limited company and its registered office is in Copenhagen, Denmark. The accounting policies applied remain unchanged from last year.

The Parent Company Financial Statements for 2015 are presented in DKK thousand.

Tax

Deferred tax is recognised in respect of all temporary differences related to investments in subsidiaries unless the Parent Company is in a position to check when the deferred tax must be realised and when it is probable that the deferred tax crystallises as current tax within a foreseeable future.

There is no deferred tax related to investments in associates where both dividends from the company as well as gains and losses from a potential sale of the investment are tax exempt.

The Parent Company is jointly taxed with all Danish consolidated enterprises and functions as administration company for the jointly taxed enterprises. The Group has limited and secondary liability for payment of corporation tax from the tax year 2015 as well as for tax at source on interest and dividend. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes. The total tax payable in the jointly taxed enterprises is presented as tax payable in the Parent Company whereas joint taxation contributions from subsidiaries are presented as receivables.

Balances subject to the rules on limited interest deduction under the Danish Corporation Tax Act have been distributed between the jointly taxed enterprises according to the entered joint taxation agreement.

Deferred tax liabilities in respect of these balances are recognised in the balance sheet while deferred tax assets only are recognised if the criteria for recognition of deferred tax assets are met.

Recoverable amount of investments in subsidiaries

Each subsidiary is considered a separate cash generating unit. If there is an indication that the carrying amount (cost) of an investment in a subsidiary is impaired, the impairment will be based on determination of the value in use of the subsidiary in question.

It is considered an indication of impairment if the dividends distributed exceed the subsidiary's comprehensive income in the period in which the dividend is distributed.

Recognition and measurement

Revenue is 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, 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.

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.

Business combinations

The carrying value method is used in connection with intercompany business combinations. Therefore the uniting of interests is deemed to have taken place at the time of acquisition at the carrying amounts.

No adjustment of comparative figures is made.

The difference between the agreed consideration and the accounting equity value in the acquired company is recognised in equity.

The merger between Solstra Investments A/S and Administrationsselskabet af 29. September 2009 ApS was made with effect from 1 January 2015.

Income statement

Revenue

Revenue is recognised in the income statement when earned.
Income from the rendering of services, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year.

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

Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases etc.

Staff expenses

Staff expenses comprise wages and salaries as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Other operating income, net

Other operating income comprise items of a secondary nature to the core activities of the enterprise, including earn-out payments from prior year's business combinations.

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 Danish affiliated companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries
Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables
Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Dividend
Dividend distribution for the year proposed by Management is disclosed as a separate equity item.

Provisions
Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Current tax
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.

Note B – Revenue
Revenue comprises management fee income in Denmark.

	2015 DKK '000	2014 DKK '000
Note C – Staff expenses		
Wages and salaries	6,959	4,456
Pensions	0	0
Other social security costs	7	4
	6,966	**4,460**
Note D – Financial income		
Interest received from Group enterprises	6,185	6,374
Other financial income	452	392
	6,637	**6,766**
Note E – Financial expenses		
Impairment losses on financial assets	1,680	2,943
Interest paid to Group enterprises	5,254	2,354
Other financial expenses	17	778
Exchange adjustments	523	0
	(7,474)	**6,075**
Note F – Tax on profit for the year		
Tax on profit	705	(4,242)
Adjustment of previous years	2,141	(824)
	2,846	**(5,066)**
Note G – Investments in subsidiaries		
Cost at 1 January	78,013	60,576
Additions for the year	375	20,460
Adjustment from merger	(460)	0
Cost at 31 December	**77,928**	**81,036**
Impairment	0	(3,023)
Value adjustments at 31 December	**0**	**(3,023)**
Carrying amount at 31 December	**77,928**	**78,013**

Investments in subsidiaries are specified as follows:

	Share capital	Votes and ownership	Equity	Net profit/loss for the year
	DKK '000		DKK '000	DKK '000
Name/place of registered office				
Bella Solstra Holding A/S	500	100%	(31,812)	(20,710)
Investeringsselskabet BTPL ApS	80	100%	(3,085)	(251)
Magillum Investments APS	125	100%	2,332	(338)
Scandinavian Design & Retail A/S	5,000	100%	(18,157)	(5,346)
Magillum Avedøre A/S	19,339	100%	48,283	702
Copenhagen Chocolate Factory ApS	125	100%	10,923	(9,496)

Note H – Contingent liabilities

The Parent Company has issued letters of support and subordination in favour of external creditors for Bella Solstra A/S, Investeringsselskabet BTPL ApS, Magillum Investments ApS, Scandinavian Design & Retail A/S and Copenhagen Chocolate Factory ApS. The letters are applicable until 1 January 2017.

The Parent Company has issued letter of subordination in favour of Danske Bank for the loans in Hotelinvest Kalvebod ApS. The letter applies until termination of the credit facility.

Leases

Leases obligations under operating leases. Total future lease payments:

	2015 DKK '000	2014 DKK '000
Within 1 year	179	223
Between 1 and 5 years	179	390
	358	613

Joint Taxation

The Danish Group companies are jointly and severally liable for tax of the group's jointly taxed income etc. for 2015.

Note I – Related parties and ownership

Controlling interest	**Basis**
ALFI 2 Trust, Jersey	Ultimate parent company
Markerina Investments Ltd., Cyprus	Intermediate parent company
Solstra Holdings Cyprus Ltd., Cyprus	Intermediate parent company

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Solstra Holdings Cyprus Ltd., Cyprus.