



**Scandinavian International Hotels  
A/S**

Strandvejen 25  
8000 Aarhus C  
CVR No. 73528712

**Annual report 2021**

The Annual General Meeting adopted the  
annual report on 17.06.2022

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**Finn Bødstrup**  
Chairman of the General Meeting

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# Entity details

## Entity

Scandinavian International Hotels A/S

Strandvejen 25

8000 Aarhus C

Business Registration No.: 73528712

Registered office: Aarhus

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Finn Bødstrup

Enan Raouf El-Galaly

Hans Jørgen Malmlose Nyegaard

Margrete Monir Gorgy

Rauf Enan El-Galaly

## Executive Board

Finn Raj Hansen Taul

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Scandinavian International Hotels A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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

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

Aarhus, 17.06.2022

## Executive Board

**Finn Raj Hansen Taul**

## Board of Directors

**Finn Bødstrup**

**Enan Raouf El-Galaly**

**Hans Jørgen Malmlose Nyegaard**

**Margrete Monir Gorgy**

**Rauf Enan El-Galaly**

# Independent auditor's report

## To the shareholders of Scandinavian International Hotels A/S

### Opinion

We have audited the financial statements of Scandinavian International Hotels A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aalborg, 17.06.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Lars Birner Sørensen**

State Authorised Public Accountant  
Identification No (MNE) mne11671

# Management commentary

## Primary activities

The company's activities comprise investing in and hotel management and related activities.

The company is legally owned by Scandinavian Hotels A/S - Denmark.

Scandinavian International Hotels A/S is one of the recognized profit maker companies in the Middle East which it is well known as Helnan Hotels in different public and private sectors.

All hotels are managed under the brand "Helnan".

## Development in activities and finances

The financial statements for 2021 show a loss of DKK 4,848k against a loss of 6,497k in 2020.

Equity amounts to DKK 39,538k in 2021 compared to 42,975k in 2020.



# Income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>(136,867)</b>	<b>589,430</b>
Staff costs	1	(466,354)	(515,782)
Depreciation, amortisation and impairment losses		(72,000)	(72,000)
<b>Operating profit/loss</b>		<b>(675,221)</b>	<b>1,648</b>
Income from investments in group enterprises		(4,167,680)	(6,079,735)
Other financial income	2	40,784	0
Other financial expenses		(237,243)	(536,906)
<b>Profit/loss before tax</b>		<b>(5,039,360)</b>	<b>(6,614,993)</b>
Tax on profit/loss for the year	3	191,759	117,757
<b>Profit/loss for the year</b>		<b>(4,847,601)</b>	<b>(6,497,236)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(4,847,601)	(6,497,236)
<b>Proposed distribution of profit and loss</b>		<b>(4,847,601)</b>	<b>(6,497,236)</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		347,063	419,063
<b>Property, plant and equipment</b>	4	<b>347,063</b>	<b>419,063</b>
Investments in group enterprises		49,024,629	52,951,165
<b>Financial assets</b>	5	<b>49,024,629</b>	<b>52,951,165</b>
<b>Fixed assets</b>		<b>49,371,692</b>	<b>53,370,228</b>
Receivables from group enterprises		1,862,622	2,852,659
Deferred tax		288,579	96,820
Other receivables		18,273	18,573
<b>Receivables</b>		<b>2,169,474</b>	<b>2,968,052</b>
<b>Cash</b>		<b>49,581</b>	<b>106,311</b>
<b>Current assets</b>		<b>2,219,055</b>	<b>3,074,363</b>
<b>Assets</b>		<b>51,590,747</b>	<b>56,444,591</b>

**Equity and liabilities**

	Notes	2021 DKK	2020 DKK
Contributed capital	6	6,131,000	6,131,000
Retained earnings		33,407,154	36,843,928
<b>Equity</b>		<b>39,538,154</b>	<b>42,974,928</b>
Provisions for investments in group enterprises		16,728	1,186,411
<b>Provisions</b>		<b>16,728</b>	<b>1,186,411</b>
Payables to shareholders and management		11,819,095	11,733,736
Other payables		0	53,037
<b>Non-current liabilities other than provisions</b>	7	<b>11,819,095</b>	<b>11,786,773</b>
Trade payables		32,500	198,525
Payables to group enterprises		0	68,353
Other payables		184,270	229,601
<b>Current liabilities other than provisions</b>		<b>216,770</b>	<b>496,479</b>
<b>Liabilities other than provisions</b>		<b>12,035,865</b>	<b>12,283,252</b>
<b>Equity and liabilities</b>		<b>51,590,747</b>	<b>56,444,591</b>
Contingent liabilities	8		
Assets charged and collateral	9		

# Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	6,131,000	36,843,928	42,974,928
Exchange rate adjustments	0	1,410,827	1,410,827
Profit/loss for the year	0	(4,847,601)	(4,847,601)
<b>Equity end of year</b>	<b>6,131,000</b>	<b>33,407,154</b>	<b>39,538,154</b>

# Notes

## 1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	460,908	512,145
Other social security costs	5,446	3,637
	<b>466,354</b>	<b>515,782</b>
Average number of full-time employees	<b>1</b>	<b>1</b>

## 2 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	40,784	0
	<b>40,784</b>	<b>0</b>

## 3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Change in deferred tax	(191,759)	(117,757)
	<b>(191,759)</b>	<b>(117,757)</b>

## 4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	510,000
<b>Cost end of year</b>	<b>510,000</b>
Depreciation and impairment losses beginning of year	(90,937)
Depreciation for the year	(72,000)
<b>Depreciation and impairment losses end of year</b>	<b>(162,937)</b>
<b>Carrying amount end of year</b>	<b>347,063</b>

## 5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	60,796,694
<b>Cost end of year</b>	<b>60,796,694</b>
Revaluations beginning of year	27,065,124
<b>Revaluations end of year</b>	<b>27,065,124</b>
Impairment losses beginning of year	(34,910,653)
Exchange rate adjustments	1,410,827
Amortisation of goodwill	(586,544)
Share of profit/loss for the year	(3,581,136)
Investments with negative equity value transferred to provisions	(1,169,683)
<b>Impairment losses end of year</b>	<b>(38,837,189)</b>
<b>Carrying amount end of year</b>	<b>49,024,629</b>
Carrying amount if asset had not been revalued	26,043,284

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Helnan Hotel Management	Egypt	SAE	99,5%	6,563,374	302,023
Helnan International Hotels Company	Egypt	Branch	100%	(16,728)	1,229,009
Helnan Chellah Hotel	Morocco	SA	99%	19,508,429	(4,250,996)

## 6 Share capital

	Number	Recorded par value DKK
Share class A	122,620	122,620
Share class B	6,008,380	6,008,380
	<b>6,131,000</b>	<b>6,131,000</b>

## 7 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Payables to shareholders and management	11,819,095	11,819,095
	<b>11,819,095</b>	<b>11,819,095</b>

## **8 Contingent liabilities**

The Entity participates in a Danish joint taxation arrangement where Scandinavian Hotels A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## **9 Assets charged and collateral**

### **Collateral provided for group enterprises**

The Entity has given a self-debt guarantee to Nykredit Bank concerning the group companies Helnan Phønix Hotel A/S and Helnan Marselis Hotel A/S. Bank debt in the group companies amounts to DKK 153,647k.

The Company has provided a guarantee whereby it will financially support the subsidiary in Morocco.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.



**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

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

**Other financial expenses**

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

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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Property, plant and equipment**

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
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Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Receivables**

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

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other provisions**

Other provisions comprise provisions for investments in group enterprises

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.