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GAP Cargo Partners Copenhagen K/S

CVR no. 26 91 49 73

Annual report for 2014

**The annual report was presented and
approved at the annual general meeting
of the Company on 25 June 2015**


Chairman



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Statement by Management

The management has today discussed and approved the annual report of GAP Cargo Partners Copenhagen K/S for the financial year 1 January - 31 December 2014.


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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2014 and of the results of the Company's operations for the financial year 1 January - 31 December 2014.

We recommend that the annual report be approved at the annual general meeting.

Annapolis, 25 June 2015

Limited partners


John William Cammett
Chairman


Mitchell Ross Gordon


Kenneth Stuart Code

Independent auditor's report

To the Shareholder of GAP Cargo Partners Copenhagen K/S

Independent auditor's report on the financial statements

We have audited the financial statements of GAP Cargo Partners Copenhagen K/S for the financial year 1 January - 31 December 2014. The financial statement comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the Management, as well as evaluating the overall presentation of the financial statements.

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

The audit has not resulted in any qualification.

Independent auditor's report

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2014 and of the results of the Company's operations for the financial year 1 January - 31 December 2014 in accordance with the Danish Financial Statements Act.

Copenhagen, 25 June 2015

KPMG

Statsautoriseret Revisionspartnerselskab



Niels Vendelbo
statsaut. revisor



Management's review

Company details

The Company

GAP Cargo Partners Copenhagen K/S
c/o Dowo Management ApS,
Kystvejen 28
2770 Kastrup

CVR no.: 26 91 49 73
Financial Period: 1 January - 31 December
Registered. office: Tårnby

Limited partners

John William Cammett, Chairman
Mitchell Ross Gordon
Kenneth Stuart Code

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Amerika Plads 38
2100 Copenhagen

General meeting

The annual general meeting is held on 25 June 2015 at the Company's address.

Financial statements 1 January - 31 December

Accounting policies

The annual report of GAP Cargo Partners Copenhagen K/S for 2014 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Change in accounting policies

Parts of revenue related to rental income have in previous years been presented net of cost of sales, which in 2014 have been adjusted to a gross presentation. The comparative figures for 2013 have been updated to reflect the change in classification related to revenue and cost of sales. Besides the above stated, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income Statement

Revenue

Revenue consists of rental income from the lease of property.

Cost of sales

Cost of sales includes all direct expenses incurred to manage the property, including direct and indirect taxes, insurance expenses and maintenance costs where such expenses are not paid by the lessee.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to the management and administration of the enterprise.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment comprises the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial reporting period. The items comprise interest income and expenses, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Financial statements 1 January - 31 December

Accounting policies

Tax on profit/loss for the year

The financial statements do not include taxes as the individual limited partners include the results of the limited partnership in their respective income statements.

Balance Sheet

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment write-down.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Buildings	20	years
Fixtures, fittings, tools and equipment	5	years

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Liabilities

Financial liabilities concerning property are measured at amortised cost, corresponding to the nominal unpaid debt.

Financial statements 1 January - 31 December

Accounting policies

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.



Financial statements 1 January - 31 December

Income statement

	<u>Note</u>	<u>2014</u> DKK	<u>2013</u> DKK
Revenue		31,363,401	29,856,876
Cost of Sales		-11,290,125	-12,838,697
Other external expenses		-2,396,093	-2,776,102
Gross profit		17,677,183	14,242,077
Depreciation property, plant and equipment		-14,061,489	-14,061,489
Profit before financial income and expenses		3,615,694	180,588
Financial income		12,175	18,928
Financial expenses		-10,347,153	-11,105,998
Loss before tax		-6,719,284	-10,906,482
Tax on profit/loss for the year		0	0
Loss for the year		-6,719,284	-10,906,482
Proposed distribution of loss			
Retained earnings		-6,719,284	-10,906,482
		<u>-6,719,284</u>	<u>-10,906,482</u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2014</u> DKK	<u>2013</u> DKK
Assets			
Land and buildings		126,536,560	140,596,178
Other fixtures and fittings, tools and equipment		<u>18,707</u>	<u>20,578</u>
Property, plant and equipment	3	<u>126,555,267</u>	<u>140,616,756</u>
Total non-current assets		<u>126,555,267</u>	<u>140,616,756</u>
Receivables from group entities		84,021	66,083
Other receivables	4	3,607,082	3,860,080
Prepayments		<u>2,399,602</u>	<u>1,108,858</u>
Receivables		<u>6,090,705</u>	<u>5,035,021</u>
Cash at bank and in hand		<u>5,046,504</u>	<u>3,584,456</u>
Total current assets		<u>11,137,209</u>	<u>8,619,477</u>
Total assets		<u><u>137,692,476</u></u>	<u><u>149,236,233</u></u>

Financial statements 1 January - 31 December

Balance sheet

	Note	2014 DKK	2013 DKK
Equity and liabilities			
Limited partnership capital		56,000,000	56,000,000
Non-paid-in limited partnership capital		-56,000,000	-56,000,000
Retained earnings		<u>-70,808,781</u>	<u>-64,089,497</u>
Total equity	2	<u>-70,808,781</u>	<u>-64,089,497</u>
Mortgage loans		<u>200,719,351</u>	<u>193,469,351</u>
Non-current liabilities	5	<u>200,719,351</u>	<u>193,469,351</u>
Mortgage loans	5	0	15,000,000
Other payables		<u>7,781,906</u>	<u>4,856,379</u>
Current liabilities		<u>7,781,906</u>	<u>19,856,379</u>
Total liabilities		<u>208,501,257</u>	<u>213,325,730</u>
Total equity and liabilities		<u><u>137,692,476</u></u>	<u><u>149,236,233</u></u>
Main activity	1		
Security for loans	6		
Other contingent liabilities	7		

Financial statements 1 January - 31 December

Notes

1 Main activity

The Company's main activity is leasing of property.

2 Equity

	Limited partnership capital	Non-paid-in limited partnership capital	Retained earnings	Total
Equity at 1 January 2014	56,000,000	-56,000,000	-64,089,497	-64,089,497
Net profit/loss for the year	0	0	-6,719,284	-6,719,284
Equity at 31 December 2014	56,000,000	-56,000,000	-70,808,781	-70,808,781

3 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2014	281,192,358	63,555	281,255,913
Cost at 31 December 2014	281,192,358	63,555	281,255,913
Impairment losses and depreciation at 1 January 2014	140,596,180	42,977	140,639,157
Depreciation for the year	14,059,618	1,871	14,061,489
Impairment losses and depreciation at 31 December 2014	154,655,798	44,848	154,700,646
Carrying amount at 31 December 2014	126,536,560	18,707	126,555,267

Note 6 provides more details on security for loans, etc. regarding property, plant and equipment.

Financial statements 1 January - 31 December

Notes

4 Other receivables

The Company does not have right of disposal of a bank account, which has been frozen. The account, which contains deposits from Post Danmark and DHL, amounts to DKK 3,433,907 at 31 December 2014.

5 Non-current liabilities

	2014	2013
	DKK	DKK
Mortgage loans		
Between 1 and 5 years	<u>200,719,351</u>	<u>193,469,351</u>
Non-current portion	200,719,351	193,469,351
Within 1 year	0	<u>15,000,000</u>
	<u><u>200,719,351</u></u>	<u><u>208,469,351</u></u>

6 Security for loans

The Company has put up a mortgage registered to the owner worth DKK 245,000,000 as security for its mortgage debt.

7 Other contingent liabilities

Rent and lease liabilities concern a land lease with a term of notice of one year. The total obligation is DKK 4,838,942 (2013: DKK 4,780,875).