


ALMC Skatteadministrationselskabet A/S

Annual report 2013

The annual report has been presented and approved
at the Company's annual general meeting

on 13th May 2014


chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report	3
Management's review	5
Company details	5
Operating review	6
Financial statements for the period 1 January – 31 December	7
Accounting policies	7
Income statement	10
Balance sheet	11
Notes	12

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of ALMC Skatteadministrationselskabet A/S for the financial year 1 January – 31 December 2013.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2013 and of the results of its operations for the financial year 1 January – 31 December 2013.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 13 May 2014
Executive Board:



Daniel Philip Walther
Bingham

Board of Directors:



Robert Daniel Svanström
Chairman



Daniel Philip Walther
Bingham



Deyanira Baca Islas

Independent auditors' report

To the shareholder of ALMC Skatteadministrationselskabet A/S

Independent auditors' report on the financial statements

We have audited the financial statements of ALMC Skatteadministrationselskabet A/S for the financial year 1 January – 31 December 2013. The financial statements 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. Management is also responsible 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.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Conclusion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2013 and of the results of its operations for the financial year 1 January – 31 December 2013 in accordance with the Danish Financial Statements Act.

Emphasis of matter regarding matters in the financial statements

Without modifying our opinion, we draw attention to note 1, in which Management describes the Company's activities and capital resources going forward. According to the note, the Company's equity at 31 December 2013 is negative by DKK 14.1 million and the Company has been financed by loans from the parent company up to now. Moreover, Management expects that the Company's need for additional funding is limited due to the discontinuation of activities and that additional funding may be provided by means of increased loans from the parent company but the parent company has not committed itself to provide such loans. The financial statements for 2013 have been prepared based on this assumption.

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 13 May 2014

KPMG

Statsautoriseret Revisionspartnerselskab



Per Ejsing Olsen
State Authorised Public Accountant

Management's review

Company details

ALMC Skatteadministrationselskabet A/S
c/o Danders & More
Frederiksgade 17
DK-1265 Copenhagen K

CVR no.: 25 29 68 69
Established: 29 March 2000
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Robert Daniel Svanström
Daniel Philip Walther Bingham
Deyanira Baca Islas

Executive Board

Daniel Philip Walther Bingham

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Osvold Helmuhs Vej 4
DK-2000 Frederiksberg

Annual general meeting

The annual general meeting will be held on 13 May 2014.

Management's review

Operating review

Principal activities

The Company's principal activities comprise the administration of the joint taxation for the Danish companies in the ALMC hf. Group.

Development in activities and financial matters as well as capital resources

In 2012, the Company settled its previous investment in Biva A/S and subsequently, its only business activity is the administration of the joint taxation for the Danish companies in the ALMC hf. Group. The Company has no current plans to make new investments or set up other activities in ALMC Skatteadministrationselskabet A/S.

Subsequent to the transfer of the profit for the year of DKK 5.7 million, the Company's equity at 31 December 2013 was negative by DKK 14.1 million. Pursuant to section 119 of the Danish Companies Act, at the upcoming general meeting, Management will report on the Company's financial position and submit a proposal for measures that should be taken.

Until now, the Company has been financed by loans from the parent company. Due to the Company's limited activities going forward as administrative company of the joint taxation of the ALMC Group's companies in Denmark, Management expects that the need for additional funding will be limited. Management also expects that any additional funding may be provided by increased loans from the parent company, but the parent company has not committed itself to provide such loans.

Based on Management's expectation that the credit limit at the parent company may be increased, it is Management's assessment that the annual report may be prepared on a going concern basis.

Uncertainty regarding recognition and measurement

The measurement of certain of the Company's receivables from consolidated companies, etc., and the measurement of current and deferred tax due to the tax conditions in the ALMC Group's companies in Denmark are subject to uncertainty.

Events after the balance sheet date and outlook for 2014

No significant events have occurred after the balance sheet date affecting the financial position at 31 December 2013.

A minor loss is expected for 2014.

Financial statements for the period 1 January – 31 December

Accounting policies

The annual report of ALMC Skatteadministrationsselskabet A/S for 2013 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.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Reporting currency

The annual report is presented in Danish kroner.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 at the date at which the receivable or payable arose is recognised in the income statement as financial income or financial expenses.

Financial statements for the period 1 January – 31 December

Accounting policies

Income statement

Other external costs

Other external costs comprise costs incurred for the year related to the Company's ordinary activities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Company is subject to the Danish rules on compulsory joint taxation and is included in joint taxation with ALMC hf.'s Danish companies. ALMC Skatteadministrationselskabet A/S is the administrative company under the joint taxation and accordingly pays all corporation taxes to the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income (full absorption).

Surcharges and refunds under the on-account tax scheme are recognised under tax on profit/loss for the year.

Tax for the year comprises joint taxation contribution and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to income and expenses recognised in equity is recognised directly in equity.

Balance sheet

Investments in associates and other equity investments

Investments in associates and other equity investments are recognised at cost or to the recoverable amount if this is lower.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Financial statements for the period 1 January – 31 December

Accounting policies

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses after an individual assessment of receivables.

Equity – dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Joint taxation contributions payable and receivable are recognised in the balance sheet under corporation tax payable and receivable.

Under the joint taxation rules, ALMC Skatteadministrationselskabet A/S as administrative company is liable to pay the jointly taxed related companies' tax to the tax authorities as the related companies pay joint taxation contributions.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year.

Joint taxation contributions payable and receivable are recognised in the balance sheet under joint taxation contributions.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January – 31 December

Income statement

DKK'000	Note	2013	2012
Other external costs		-87	115
Other income		4,000	0
Profit before financial income and expenses		3,913	115
Value adjustment of investment in and receivables from group enterprise and other receivables		1,432	-47,078
Financial income		81	100
Financial expenses	3	-1,366	-867
Profit/loss before tax		4,060	-47,730
Tax on profit/loss for the year	2	1,671	-47
Profit/loss for the year		5,731	-47,777
Proposed profit appropriation/distribution of loss			
Retained earnings		5,731	-47,777
		5,731	-47,777

Financial statements for the period 1 January – 31 December

Balance sheet

DKK'000	Note	2013	2012
ASSETS			
Non-current assets			
Investments	4		
Investments in associate		0	0
		0	0
Total non-current assets		0	0
Current assets			
Joint taxation contribution receivable		1,893	7,821
Other receivables		350	0
Receivables		2,243	7,821
Cash at bank and in hand		11,437	237
Total current assets		13,680	8,058
TOTAL ASSETS		13,680	8,058
EQUITY AND LIABILITIES			
Equity	5		
Share capital		13,420	13,420
Retained earnings		-27,521	-33,252
Total equity		-14,101	-19,832
Liabilities			
Debt to group enterprises		24,051	26,690
Joint taxation contributions payable		799	1,077
Other debt		2,931	123
Current liabilities other than provisions		27,781	27,890
Total liabilities other than provisions		27,781	27,890
TOTAL EQUITY AND LIABILITIES		13,680	8,058
Activities and capital resources	1		
Mortgages, collateral and contingent liabilities	6		
Ownership	7		

Financial statements for the period 1 January – 31 December

Notes

1 Activities and capital resources

In 2013, the Company's ownership of Biva A/S was discontinued. Subsequently, the Company has no business activities. The Company has no current plans to make new investments or set up other activities in ALMC Skatteadministrationselskabet A/S.

In 2012, the Company was registered as the administrative company of the joint taxation of the ALMC Group's companies in Denmark. This is expected to continue in 2014.

Subsequent to the transfer of the profit for the year of DKK 5.7 million, the Company's equity at 31 December 2013 was negative by DKK 14.1 million. Pursuant to section 119 of the Danish Companies Act, at the upcoming general meeting, Management will report on the Company's financial position and submit a proposal for measures that should be taken.

Until now, the Company has been financed by loans from the parent company. Due to the Company's limited activities going forward as administrative company of the joint taxation of the ALMC Group's companies in Denmark, Management expects that the need for additional funding will be limited. Management also expects that any additional funding may be provided by additional loans from the parent company, but the parent company has not committed itself to provide such loans.

Based on Management's expectation that the credit limit at the parent company may be increased, it is Management's assessment that the annual report may be prepared on a going concern basis.

2 Tax on profit/loss for the year

DKK'000

	2013	2012
Income taxes	0	47
Prior year adjustments	1,671	0
	<u>1,671</u>	<u>47</u>

3 Financial expenses

Financial expenses from group enterprises

Other financial expenses

1,351	856
15	11
<u>1,366</u>	<u>867</u>

Financial statements for the period 1 January – 31 December

Notes

4 Investments

DKK'000	Invest- ments in associates
Cost at 1 January 2013	24,060
Disposals	-24,060
Cost at 31 December 2013	0
Value adjustments at 1 January 2013	-24,060
Disposals	24,060
Value adjustments at 31 December 2013	0
Carrying amount at 31 December 2013	0

The ownership of Biva A/S was discontinued in the financial year.

5 Equity

The share capital consists of 13,420,402 shares at a nominal value of DKK 1 each. All shares rank equally.

Changes in equity can be specified as follows:

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2013	13,420	-33,252	-19,832
Retained earnings	0	5,731	5,731
Equity at 31 December 2013	13,420	-27,521	-14,101

Capital increases of DKK 11,162 thousand and DKK 1,500 thousand, respectively, were made at 20 March 2009 and 22 December 2009, and subsequently, the share capital amounts to DKK 13,420 thousand.

6 Mortgages, collateral and contingent liabilities

The Company had no mortgages or collateral at 31 December 2013.

The Company is jointly taxed with the other Danish consolidated enterprises. As an administrative company, together with the other consolidated enterprises included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. The income subject to joint taxation for 2013 has not yet been calculated, but the total liability is expected to amount to DKK 0. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the Company's liability will increase.

Financial statements for the period 1 January – 31 December

Notes

7 Ownership

The Company's related parties comprise the Company's Management and other companies in the ALMC Group.

The Company is wholly-owned by ALMC hf., Iceland (formerly Straumur-Burdaras Investment Bank hf.).

The largest Group, in which the Company is included as a subsidiary, is ALMC hf., registration no. 701086-1399, Borgartún 25, 7th floor, 105 Reykjavik, Iceland.