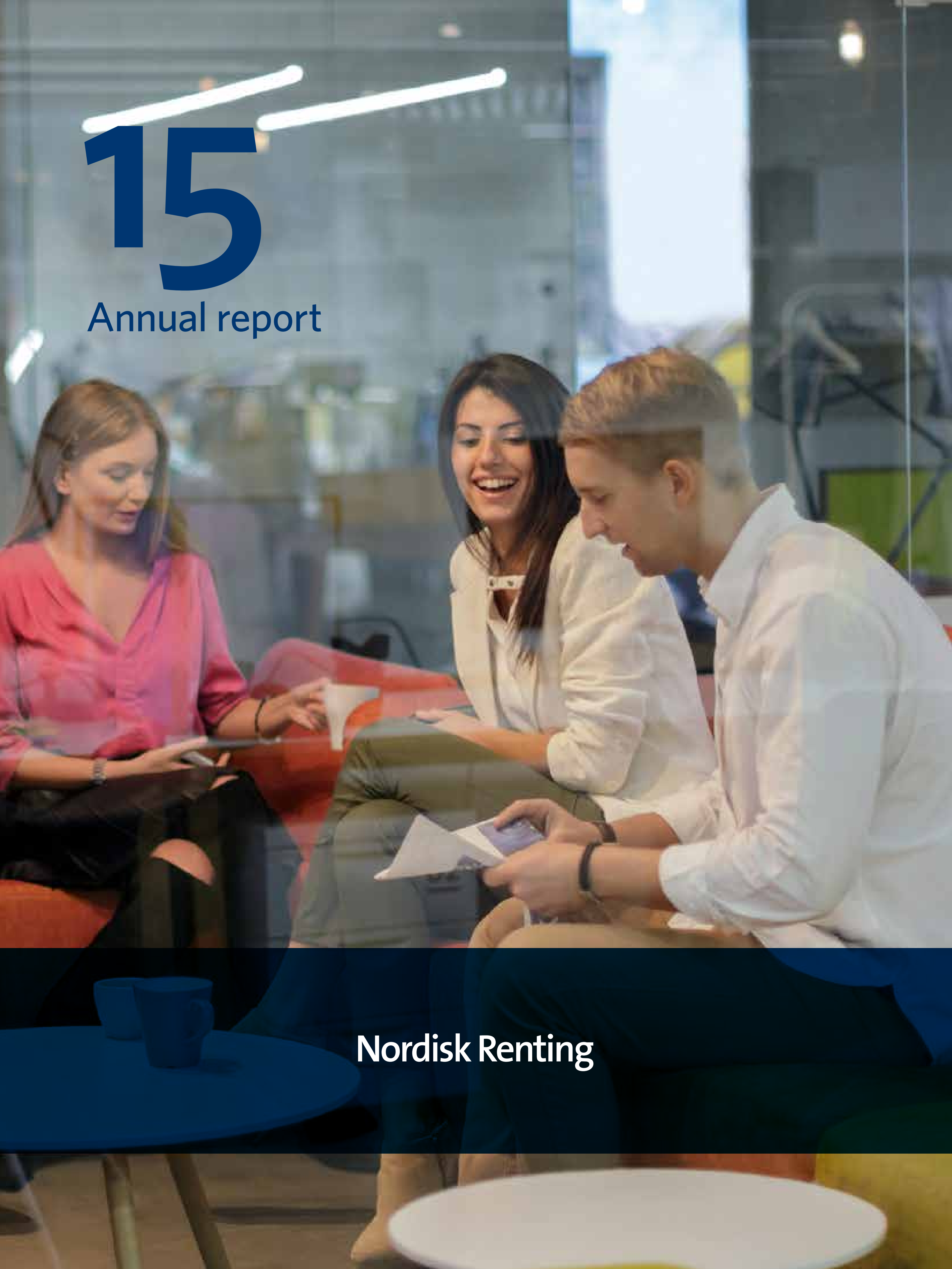
15
Annual report



Nordisk Renting

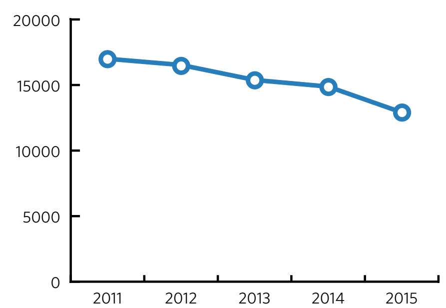
Five-year summary (Group)

(SEK m)	2015	2014	2013	2012	2011
Net salses	948	1,342	1,166	1,222	1,323
Operating Profit	611	1,009	870	925	1,056
Profit after financial items	373	416	506	527	583
Balance sheet total	12,913	14,880	15,383	16,529	17,001
Equity ratio	36,7 %	34,6 %	34,8 %	31,5 %	30,2 %
Return on equity	2,9 %	5,8 %	7,6 %	8,6 %	9,0 %
Return on total capital	5,0 %	5,0 %	5,6 %	5,7 %	6,1 %
Retrun on equity (adjusted) [1]	6,2 %				
Average number of employees [2]	19	15	16	15	19

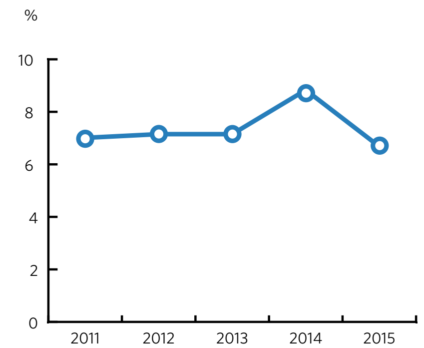
[1] The return on equity figure has been adjusted to take account of a one-off Group contribution paid of SEK 220m.
[2] Under an agreement with The Royal Bank of Scotland Plc (RBS) in the Nordic region, the company acquires services such as finance, customer and business communication, and HR from RBS Nordic Region. The acquired services equate to around 5 full-time employees.

Profit after financial items

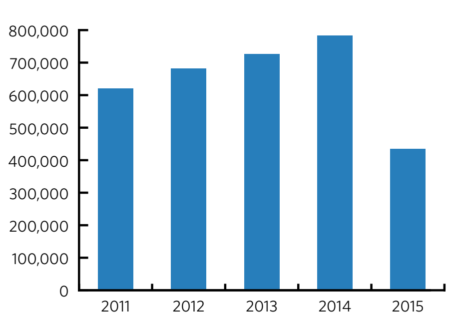
Balance sheet total



Dividend yield [3]



Cash flow from operating activities



[3] Definition Dividend yield = (Net sales – Property and operating expenses excluding depreciation)/Average portfolio

The company's offering

NORDISK RENTING IS a property-owning company that offers strategic property solutions.

A renting deal entails a company or a public sector body selling its property to Nordisk Renting and then leasing it from us, with an option to buy it back.

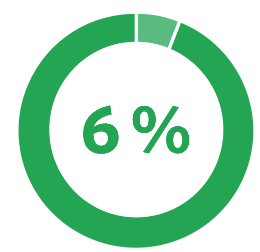
The tenant retains access to and influence over strategically important premises.

Capital is freed up for investment in the core business. The debt ratio decreases and access to bank finance remains intact.

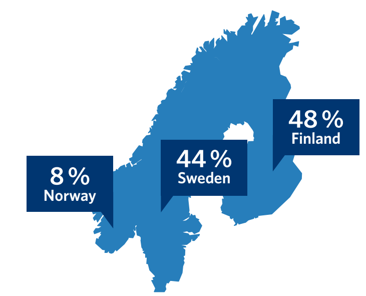
The year 2015 in brief

- **During the year** net sales decreased to SEK 948m (1,342). The decrease is mainly due to a non-recurring item of SEK 247m relating to TeliaSonera. Adjusted for this item, net sales decreased by SEK 147m due to a smaller property portfolio and lower market interest rates.
- **Profit after financial** items of SEK 373m (416) decreased by SEK 43m. The change is primarily explained by the decrease in net sales, which were off-set by reversals of write-downs in 2015.
- **The cash flow** from operating activities including gains from the sale of properties and equipment amounted to SEK 491m (854). The decrease is due to lower gross profit before depreciation.
- **Long-term liabilities** decreased by SEK 1,463m (300), mainly due to the repayment of external funding. The Group's liquid assets on 31 December 2015 amounted to SEK 547m (697) and unutilised overdraft facilities totalled SEK 488m (491).
- **Equity decreased to** SEK 4,745m (5,141), primarily due to a dividend of SEK 530m and Group contribution of SEK 220m. The equity ratio amounted to 37.5 percent (35.2) including minority shares and to 36.7 percent (34.6) excluding minority shares.
- **A review of** the Company's capital structure was initiated late 2015. It led to the decision to reduce the equity ratio by increasing the distribution of profits. The Company remains sufficiently capitalized to meet both the prevailing market conditions and planned business origination. In addition the financing of the distribution of profit was guaranteed by The Royal Bank of Scotland Plc.
- **Reinhold Geijer stepped** down as CEO of Nordisk Renting on 31 December 2015. He was succeded by Caroline Bertlin from 1 January 2016.

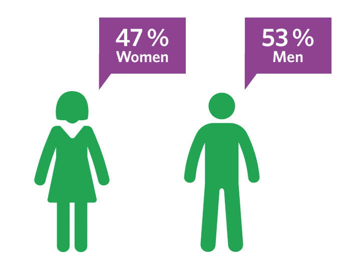
At a glance



Average Cost/Income Ratio over the last 5 years.



Number of properties in Norway, Sweden & Finland.



Distribution women/ men

Sectors representing the customers businesses.

Public sector	25 %
Retail	22 %
Financial sector	18 %
Industrials	11 %
Construction	11 %
Telecommunications	7 %
Hotels & Restaurants	6 %

The outgoing CEO's comments

DURING 2015, DECISIONS were made on some strategically important changes within the RBS group. They entail tremendous development opportunities for Nordisk Renting.

Our owner, the large UK bank RBS, defined the Nordic region as one part of its core market and emphasised property renting as a growth area also outside of the current Sweden, Finland and Norway.

Nordisk Renting is now part of RBS's Structured Finance business area, which offers financing of customers' strategic assets on the bank's prioritised markets.

"Nordisk Renting är i dag ett starkt, solitt och välskött bolag med en stark kundbas."

To now have our sights set on expansion in our core business is a stimulating re-orientation, especially since we have been restrained with new renting business for several years due to RBS's heavy focus on long-term capital tied up.

THIS NEW ORDER closes a historic circle: ever since RBS acquired the company in 2003, Nordisk Renting has served as the bank's platform for establishment and growth in the Nordic region. Since its formation in 1986, Nordisk Renting had developed into the leading property renting company in the Nordics, and the acquisition brought good expansion opportunities.

SINCE THEN WE have worked diligently to strengthen the presence of both the RBS and the Nordisk Renting brand in the Nordic region, while Nordisk Renting's customer relations have increasingly been aligned with the bank's business focus and customer strategy.

The years with RBS have been a time of change. We have seen the growth and expansion of the entire operation in the Nordic region, we have taken over ABN Amro/Alfred Berg, carried out operational restructuring and new integration, and also experienced turbulence on the financial markets and strategic changes of direction within the bank.

NORDISK RENTING TODAY is a strong, solid, well-managed company. We have a strong customer base with long-term business agreements.

We are now entering the third phase in terms of the company's operational management. For the first 15 years Göte Dahlin was CEO, and for the next 15 I filled that role. On 1 January 2016 the reins were taken over by Caroline Bertlin, who has held various positions within RBS and Nordisk Renting. She has now taken up the post of CEO, demonstrating strong leadership and a sharp business mind.

Year after year, Nordisk Renting has delivered strong results for its owners. In 2016 we are paying out SEK 1.5bn in dividends.

The unusually large dividend has been made possible primarily by the sale of a property in Farsta with significant building rights, where TeliaSonera was the tenant. Ikano Bostad and Rikshem were the buyers.

THE DIVIDEND WAS also facilitated by the re-assessment of Nordisk Renting's capital structure, which found that the equity ratio could be reduced from 37 to 25 per cent; this is deemed more than adequate for our long-term operations.

Cash flow from operating activities remained strong and amounted to SEK 435m. Profit after financial items was SEK 373m. Nordisk Renting made Group contributions of SEK 200m to its sister companies Centeni AB and SKHLM Skärholmen Centrum AB in 2015.

For the current year, we anticipate additional earnings both from increased business activities and as a benefit of working as part of RBS Structured Finance with the company's areas of core expertise.

I look back with pride on a tremendously interesting and dynamic period as CEO of Nordisk Renting. It has been a privilege to work alongside some prominent customers, as well as dedicated, professional colleagues.

The sophisticated input of the solid, experienced Board of Directors has also been tremendously important, especially in times of great change.

Nordisk Renting is well positioned for future with its special product.

With heartfelt gratitude to all my colleagues, I now hand over to Caroline Bertlin with the greatest of confidence.

Reinhold Geijer,
CEO

Reinhold Geijer lämnade vid årsskiftet över VD-skapet till Caroline Bertlin.

The Chairman's

NORDISK RENTING WAS acquired by The Royal Bank of Scotland in 2003. The aim was to extend the bank's operation to the Nordic region, aided by Nordisk Renting's favourable relations with private and public partners in the area of property renting.

Under Reinhold's management, Nordisk Renting was given some excellent opportunities to expand with the support of RBS's financial resources. Reinhold was also tasked with establishing an RBS banking arm in the Nordic region with a presence in Sweden, Finland, Norway and Denmark.

"Under Reinhold's management, Nordisk Renting was given some excellent opportunities to expand."

Reinhold executed both tasks with the greatest skill, particularly when it came to fostering the synergies between the two operations and developing the personnel's dedication and professionalism.

During the 15 years Reinhold has been CEO, the financial markets have had to deal with various incidents, problems and a good deal of turbulence on a global level. As part of the banking sector, RBS was also affected. One result was that for several years, Nordisk Renting worked with the bank to concentrate on consolidation. This included greater refinement of the business concept and customer relations, partly under more restrictive financing terms.

IN RBS'S NEW guise, Nordisk Renting is once again being given the opportunity to expand on new and existing markets, and has been entrusted to be a part of the bank's core business.

After 15 years of exceptional leadership, and ahead of the next transformation for Nordisk Renting, Reinhold decided to hand over the helm and rudder to Caroline Bertlin – a process conducted in excellent collaboration between the Board and the management of RBS Structured Finance.

We, the Board of Directors, would like to convey our genuine gratitude to Reinhold for his tremendous efforts during different phases, and with great anticipation we welcome Caroline as she enters "the red carpet".

Sven-Åke Johansson
Chairman

Bredare erbjudande till kunderna

DET ÄR MED stor glädje och ambition jag tar mig an uppgiften som VD i Nordisk Renting.

Efter många år inom RBS-koncernen känner jag väl till såväl banken som bolaget. Som en del av RBS kärnverksamhet inom Structured Finance, har vi nu en stark bas att bygga vidare från. Vi har ett tydligt mandat från vår ägare att vidareutveckla vårt kunderbjudande för att fördjupa och bredda våra kundrelationer. Structured Finance's hemmamarknad är UK, men fokus ligger också på delar av Europa inklusive Norden. Det finns en fantastisk bredd av kompetens inom strukturerad finansiering, något som vi inom Nordisk Renting drar stor nytta av.

RBS SER MYCKET positivt på Nordisk Rentings strävan att etablera nya, långsiktiga kundrelationer med såväl den privata som offentliga sektorn i Norden. Vi har även fått uppdraget att sondera intresset för strategiska rentinglösningar på marknader utanför Norden som t ex Storbritannien och Tyskland. Kort sagt, det finns aptit för tillväxt.

Vi står således inför en period av strategisk och operativ utveckling för att möta dagens och framtidens behov hos befintliga och nya kunder.

VI GENOMFÖRDE NYLIGEN en undersökning bland våra både nuvarande och tidigare kunder kring hur de uppfattar Nordisk Renting som företag, vårt erbjudande och hur vi kan möta kommande behov av nyttjande och finansiering av fastigheter. Budskapet är entydigt. Vi har stort förtroende hos såväl befintliga som före detta kunder. De har en mycket positivt perception av såväl Nordisk Renting som företag som av våra enskilda medarbetare. De vill därtill se mer av oss, de vill fördjupa och utveckla våra relationer samt aktivt diskutera framtida utmaningar och planer.

"Det finns aptit för tillväxt. Vi står inför en period av strategisk och operativ utveckling."

BÄTTRE PLATTFORM KAN man inte ha. En ägare med ambitioner. Kunder som vill samarbeta i allt högre utsträckning. Dessutom har vi ett team av kompetenta och erfarna medarbetare i sävl Sverige som Finland. Och en kraftfull och skicklig internationell organisation inom RBS.

Jag kommer med stor entusiasm, och tillsammans med våra professionella och kunniga medarbetare, verka för att på ett innovativt och hållbart sätt infria ägarens och styrelsens övergripande expansionsmål.

Caroline Bertlin
Verkställande direktör

Administration report

Business concept and description

Nordisk Renting's business concept is to acquire, own and – alongside the customer – refine properties for long-termleasing to financially strong private and public sector business partners in the Nordic region, which have a strategic interest in long-term ventures. This enables Nordisk Renting to offer customers long-term operating and finance leases.

The Group's customers mainly comprise large private Nordic companies, but can also be found among the Swedish and Finnish states, local and county authorities, and other public sector entities.

In order to offer the most competitive business solutions, Nordisk Renting conducts its business operations with limited risk exposure. This presupposes long-term leases with financially strong customers and business partners, often in combination with a call option to buy, enabling the customer to retain control over the property and benefit from any future growth in value. On-going management of the properties is carried out either by the customer or by another external party.

Nordisk Renting is headquartered in Stockholm but also has offices and personnel in Helsinki.

Owners

Nordisk Renting AB is a wholly-owned subsidiary of Strand European Holdings AB, reg. no. 556643-7785, based in Stockholm.

Strand European Holdings AB is part of The Royal Bank of Scotland Plc group, reg. no. sc 90312, based at 36 St Andrew Square, Edinburgh EH2 2YB, UK.

Significant events during the financial year

Reinhold Geijer stepped down as CEO of Nordisk Renting on 31 December 2015. He was succeded by Caroline Bertlin from 1 January 2016.

Nordisk Renting sold an office building in Farsta during the year where TeliaSonera was the lessee. The purchase sum totalled SEK 1,035m and the capital gain was SEK 46m. An earlier write-down of SEK 79m was reversed in conjunction with the sale.

Two properties were acquired during the year for a total of SEK 103m, and investments in existing properties amounted to SEK 43m (98). Properties with a book value totalling SEK 1,332m (840) were sold, including the the property in Farsta. Of the 7 (13) divestments made during the year, 6 (7) were in accordance with existing option agreements.

Nordisk Renting AB made Group contributions to two sister companies, Centeni AB and SKHLM Skärholmen Centrum AB, totalling SEK 220m.

Financial overview

Five-year overview of the Group's operation, position and financial results

	2015	2014	2013	2012[5]	2011[5]
Net sales	948	1,342	1,166	1,222	1,323
Operating profit	611	1,009	870	925	1,056
Profit after financial items	373	416	506	527	583
Balance sheet total	12,913	14,880	15,383	16,529	17,001
Equity ratio [1]	36.7%	34.6%	34.8%	31.5%	30.2%
Return on equity [2]	2.9%	5.8%	7.6%	8.6%	9.0%
Return on total capital [3]	5.0%	5.0%	5.6%	5.7%	6.1%
Return on equity (adjusted) [2 & 4]	6.2%				
Average number of employees	19	15	16	15	19

(1) Adjusted equity/Balance sheet total
(2) Profit for the year/Average adjusted equity
(3) (Profit after financial items + interest expenses)/Average balance sheet total
(4) The return on equity figure has been adjusted to take account of a one-off Group contribution paid of SEK 220m.
(5) Figures for 2012 and 2011 have not been recalculated in accordance with K3.

Group profit

Net sales decreased during the year to SEK 948m (1,342). The decrease is mainly due to a non-recurring item of SEK 247m relating to TeliaSonera. Adjusted for this item, net sales decreased by SEK 147m due to a smaller property portfolio and lower market interest rates.

Profit after financial items of SEK 373m (416) decreased by SEK 43m. The change is primarily explained by the decrease in net sales, which were off-set by reversals of write-downs in 2015.

Liquidity and equity ratio

The cash flow from operating activities including gains from the sale of properties and equipment amounted to SEK 491m (854). The decrease is due to lower gross profit before depreciation.

Long-term liabilities decreased by SEK 1,463m (300), mainly due to the repayment of external funding. The Group's liquid assets on 31 December 2015 amounted to SEK 547m (697) and unutilised overdraft facilities totalled SEK 488m (491).

Equity decreased to SEK 4,745m (5,141), primarily due to a dividend of SEK 530m and Group contribution of SEK 220m. The equity ratio amounted to 37.5 percent (35.2) including minority shares and to 36.7 percent (34.6) excluding minority shares.

A review of the company's capital structure was initiated late 2015. It led to the decision to reduce the equity ratio by increasing the distribution of profits. The company remains sufficiently capitalized to meet both the prevailing market conditions and planned business origination. In addition the financing of the distribution of profit was guaranteed by The Royal Bank of Scotland Plc.

Financing

The Royal Bank of Scotland is the company's main financier. Since the parent company is part of The Royal Bank of Scotland, of which the British government is the majority owner, the company's long-term financing is deemed to be secure. As a wholly-owned subsidiary within The Royal Bank of Scotland, Nordisk Renting fulfils all regulatory requirements.

The company also has credit limits with other financiers. At the year-end, external borrowing amounted to SEK 1,007m (2,118).

Five-year overview of the Parent company's operation, position and financial results

	2015	2014	2013	2012[5]	2011[5]
Net sales	11	11	12	14	14
Operating profit/loss	-29	-16	-19	-76	-27
Profit after financial items	429	342	184	537	222
Balance sheet total	7,046	7,306	7,546	8,501	8,921
Equity ratio [1]	44.7%	46.0%	46.8%	42.6%	38.4%
Return on equity [2]	11,3%	8.8%	5.3%	13.3%	4.1%
Return on total capital [3]	8,4%	8.7%	5.8%	7.1%	4.2%
Return on equity (adjusted) [2 & 4]	16,1%				
Average number of employees	15	12	14	13	16

(1) Adjusted equity/Balance sheet total
(2) Profit for the year/Average adjusted equity
(3) (Profit after financial items + interest expenses)/Average balance sheet total
(4) The return on equity figure has been adjusted to take account of a one-off Group contribution paid of SEK 220m.
(5) Figures for 2012 and 2011 have not been recalculated in accordance with K3.

Parent company profit

Profit for the year after financial items of SEK 429m (342) increased by SEK 87m compared to the previous year. The increase is attributable to higher dividends from subsidiaries and lower exchange rate differences. The increase is offset by lower profit from shares in Group companies due to a non-recurring item of SEK 247m in the 2014 figures.

Significant events after the reporting period

Caroline Bertlin was appointed the new CEO. Otherwise there have been no significant events since the end of the reporting period.

Significant risks and uncertainties

The company's operation, financial results and position are affected by business risks, operational risks and financial risks.

More prominent business risks are changes in the value of the property holdings, as well as losses due to vacant premises. These are mitigated primarily by the Group entering into long-term leases with financially strong parties, which have a strategic interest in the property.

All of the Group's properties are insured at full value, or at an estimated replacement cost.

The Group's operational risks are managed within the framework of The Royal Bank of Scotland's Group-wide risk programme, which entails the company's internal control environment being tested and assessed on a quarterly basis.

Financial risks refer primarily to interest rate, exchange rate and liquidity risk and are dealt with as defined in thefinancial and risk policy adopted by the Board. For further information about handling financial risks, see Note 4.

Anticipated future development

Nordisk Renting's main business focus remains unchanged, and the company expects to be able to consolidate its position on the market in 2016. Nordisk Renting's ambition is to grow by creating long-term sustainable solutions for new and existing customers alike.

Financial instruments

Information regarding the company's financial instruments, goals and applied principles for financial risk management, along with a description of applying hedge accounting, can be found in Note 4 Derivatives and financial instruments. The note also contains disclosures and a description of risks.

Non-financial disclosures

Employees

Nordisk Renting is part of The Royal Bank of Scotland's Group-wide equality plan. The Group works for diversity in all areas.

Environment

The company conducts no operations that are hazardous to the environment.

Proposed distribution of profits (SEK)

The Board proposes to make a larger distribution of profits than previous year, of approximately SEK 1,000m, based on its decision to adapt the Group's equity ratio from 37 percent to 25 percent, which is deemed more than satisfactory.

Parent company

The following earnings are at the disposal of the Annual General Meeting:

Pofit brought forward from previous year	2,390,920,655
Profit for the year	366,999,124
	2,757,919,779

The Board and the Chief Executive Officer propose that:

to be paid to the shareholders as a dividend	1,500,000,000
to be carried forward	1,257,919,779
	2,757,919,779

The Board's statement pursuant to Chapter 18 Section 4 of the Companies Act on the proposed dividend

The Board considers the proposed distribution of profits to be justifiable taking into consideration the requirements which the nature, scope and risks of the operation, both with regard to the company and the Group, place on the size of the equity, and the company's and the Group's consolidation requirements, liquidity and position in general. The dividend exceeds profit for the year by SEK 1,133m and cash flow from operating activities by SEK 1,184m, which will reduce the Group's equity ratio from 36.7 percent to 25.1 percent (if the distribution would have been paid at year end).

For further information on the Parent company's and the Group's results and position, refer to the following income statements and balance sheets, to the equity statements, cash flow statements and notes. All amounts are in thousands of SEK unless otherwise stated.

Consolidated income statement

(KSEK)	Note	2015	2014
Net sales	5, 6	948,143	1,342,470
Property and operating expenses	5, 6	-355,542	-396,084
Gross profit		**592,601**	**946,386**
Business and marketing expenses		-26,973	-19,360
Administrative expenses		-27,299	-23,115
Other operating income		133	2,912
Other operating expenses		–	-5,054
Profit from shares in associated companies	17	17,230	36,908
Profit from sale of property and shares	10	55,679	70,457
Rörelseresultat	7, 8, 9, 19	**611,371**	**1,009,134**
Profit from financial investments			
Profit from other securities and receivables classified as noncurrent assets	11	79,129	-262,392
Other interest income and similar income	12	871	16,141
Interest expenses and similar expenses	13	-318,767	-347,137
Profit after financial items		**372,604**	**415,746**
Group contribution paid		**-220,000**	**-**
Tax on profit for the year	14	-10,457	-112,203
Profit for the year		**142,147**	**303,543**

Consolidated balance sheet

(KSEK)	Note	2015-12-31	2014-12-31
ASSETS			
Non-current assets			
Property, plant and equipment			
Investment property	15	10,392,177	11,676,855
Equipment	16	2,191	2,732
		10,394,368	**11,679,587**
Financial assets			
Shares in associated companies	17	249,527	351,447
Deferred tax asset	18	1,551	3,343
Finance leases	19	1,494,619	1,865,055
Other long-term receivables		–	100,000
		1,745,697	**2,319,845**
Total non-current assets		**12,140,065**	**13,999,432**
Current assets			
Accounts receivable		39,739	59,392
Tax receivables		39,813	-
Other receivables		103,676	104,185
Prepaid expenses and accrued income	20	42,334	19,803
		225,562	**183,380**
Cash and bank		**547,080**	**697,028**
Total current assets		**772,642**	**880,408**
TOTAL ASSETS		**12,912,707**	**14,879,840**

Consolidated balance sheet

(KSEK)	Note	2015-12-31	2014-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital		129,600	129,600
Additional paid-in capital		25,980	25,980
Other equity incl. profit for the year		4,589,352	4,985,708
Equity attributable to shareholders of the parent company		**4,744,932**	**5,141,288**
Minority shareholding		**94,001**	**94,001**
Total equity		**4,838,933**	**5,235,289**
Provisions			
Deferred tax liability	18	206,563	225,175
		206,563	**225,175**
Long-term liabilities	21		
Liabilities to credit institutions		1,006,583	2,118,084
Liabilities to Group companies		6,545,443	6,882,107
Other long-term liabilities		15,250	30,345
		7,567,276	**9,030,536**
Current liabilities			
Accounts payable		189	3,249
Liabilities to Group companies		714	697
Tax liabilities		–	23,321
Other current liabilities		47,140	51,714
Accrued expenses and deferred income	22	251,892	309,859
		299,935	**388,840**
TOTAL EQUITY AND LIABILITIES		**12,912,707**	**14,879,840**
MEMORANDUM ITEMS	26		
Pledged assets		**1,309,321**	**2,429,285**
Contingent liabilities		**-**	**-**

Consolidated statement of changes in equity

	Equity attributable to shareholders of the parent company					
(KSEK)	**Share capital**	**Additional paid-in capital**	**Other equity incl. profit for the year**	**Total equity attributable to shareholders of the parent company**	**Minority shareholding**	**Total equity**
Opening balance 1 January 2014	**129,600**	**25,980**	**5,193,338**	**5,348,918**	**94,032**	**5,442,950**
Profit for the year			303,543	303,543		**303,543**
Changes in carrying amounts of assets and liabilities:						
Currency translation adjustment			82,823	82,823		**82,823**
Hedging of foreign investment			-82,046	-82,046		**-82,046**
Tax effect of hedging of foreign investment			18,050	18,050		**18,050**
Total changes in value	**–**	**–**	**18,827**	**18,827**	**–**	**18,827**
Transactions with shareholders:						
Dividends			-530,000	-530,000		**-530,000**
Repayment of minority share				–	-31	**-31**
Total transactions with shareholders	**–**	**–**	**-530,000**	**-530,000**	**-31**	**-530,031**
Closing balance 31 December 2014	**129,600**	**25,980**	**4,985,708**	**5,141,288**	**94,001**	**5,235,289**

Minority shareholding refers to capital contributed by limited partners.

	Equity attributable to shareholders of the parent company					
(KSEK)	**Share capital**	**Additional paid-in capital**	**Other equity incl. profit for the year**	**Total equity attributable to shareholders of the parent company**	**Minority shareholding**	**Total equity**
Opening balance 1 January 2015	**129,600**	**25,980**	**4,985,708**	**5,141,288**	**94,001**	**5,235,289**
Profit for the year			142,147	142,147		**142,147**
Changes in carrying amounts of assets and liabilities:						
Currency translation adjustment			-40,912	-40,912		**-40,912**
Hedging of foreign investment			41,550	41,550		**41,550**
Tax effect of hedging of foreign investment			-9,141	-9,141		**-9,141**
Total changes in value	**–**	**–**	**-8,503**	**-8,503**	**–**	**-8,503**
Transactions with shareholders						
Dividends			-530,000	-530,000		**-530,000**
Total transactions with shareholders	**–**	**–**	**-530,000**	**-530,000**	**–**	**-530,000**
Closing balance 31 December 2015	**129,600**	**25,980**	**4,589,352**	**4,744,932**	**94,001**	**4,838,933**

Minority shareholding refers to capital contributed by limited partners.

Consolidated cash flow statement

(KSEK)	Note	2015	2014
Operating activities			
Profit after financial items		372,604	415,746
Adjustments for items not included in the cash flow:			
Depreciation/amortisation and impairments		178,653	555,229
Capital gains from sales		-55,679	-70,457
Unrealised exchange rate differences		1,823	-9,978
Share in profit of associated companies		-17,230	-36,908
Other items not affecting cash flow		64,479	65,828
Income tax paid		-89,567	-48,157
Cash flow from operating activities before changes in working capital		**455,083**	**871,303**
Cash flow from changes in working capital			
Decrease (+)/increase (-) in current receivables		-2,341	-61,459
Decrease (-)/increase (+) in current liabilities		-17,895	-26,278
Cash flow from operating activities		**434,847**	**783,566**
Investing activities			
Acquisition of subsidiaries		-9,369	-
Divestment of subsidiaries		1,338,552	892,455
Acquisition of and investments in investment properties		-9,439	-91,261
Acquisition of equipment, fixtures and fittings		-199	-1,876
Sale of equipment, fixtures and fittings		–	4
Change in financial assets		165,946	-50,304
Cash flow from investing activities		**1,485,491**	**749,018**
Financing activities			
Group contribution paid		-220,000	-
Loans raised		544,983	29,459
Loan repayments		-1,856,274	-716,193
Dividend paid		-530,000	-530,000
Cash flow from financing activities		**-2,061,291**	**-1,216,734**
Cash flow for the year		**-140,953**	**315,850**
Cash and cash equivalents at beginning of year		**697,028**	**363,557**
Exchange rate differences in cash and cash equivalents		**-8,995**	**17,621**
Cash and cash equivalents at end of year		**547,080**	**697,028**
Supplementary disclosures			
Interest paid		-300,245	-352,073
Interest received		452	20,665
Dividends from associated companies		120,000	50,000

Parent company income statement

(KSEK)	Note	2015	2014
Net sales	5, 6	10,801	11,048
Gross profit		**10,801**	**11,048**
Business and marketing expenses		-20,025	-13,408
Administrative expenses		-20,267	-16,009
Other operating income		–	2,403
Operating profit	6,7, 8, 9, 19	**-29,491**	**-15,966**
Profit from financial investments			
Profit from shares in Group companies		184,215	308,140
Profit from other securities and receivables classified as non-current assets	11	252,594	134,997
Other interest income and similar income	12	198,506	218,769
Interest expenses and similar expenses	13	-176,456	-304,010
Profit after financial items	10	**429,368**	**341,930**
Appropriations	23	-39,798	13,400
Tax on profit for the year	14	-22,571	-51,981
Profit for the year		**366,999**	**303,349**

Parent company balance sheet

(KSEK)	Note	2015-12-31	2014-12-31
ASSETS			
Property, plant and equipment			
Equipment	16	2,092	2,604
		2,092	**2,604**
Financial assets			
Shares in Group companies	24	2,583,216	2,583,216
Receivables from Group companies		3,592,302	3,857,752
Shares in associated companies	17	220,000	220,000
Deferred tax asset	18	1,302	5,181
		6,396,820	**6,666,149**
Total non-current assets		**6,398,912**	**6,668,753**
Accounts receivable		–	2,400
Receivables from Group companies		342,282	274,462
Tax receivables		14,622	-
Other receivables		100,000	130
Prepaid expenses and accrued income	20	3,294	3,547
		460,198	**280,539**
Cash and bank		**186,677**	**356,812**
Total current assets		**646,875**	**637,351**
TOTAL ASSETS		**7,045,787**	**7,306,104**

Parent company balance sheet

(KSEK)	Note	2015-12-31	2014-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (1,296,000 shares)		129,600	129,600
Statutory reserve		25,920	25,920
		155,520	**155,520**
Non-restricted equity			
Retained earnings		2,390,921	2,617,572
Profit for the year		366,999	303,349
		2,757,920	**2,920,921**
Total equity		**2,913,440**	**3,076,441**
Untaxed reserves	25	**299,500**	**366,302**
Provisions			
Deferred tax liability	18	46,294	55,406
		46,294	**55,406**
Long-term liabilities	21		
Liabilities to Group companies		3,377,951	3,402,814
Other long-term liabilities		250	282
		3,378,201	**3,403,096**
Current liabilities			
Accounts payable		113	2,118
Liabilities to Group companies		382,392	357,478
Tax liabilities		–	6,595
Other current liabilities		3,148	3,730
Accrued expenses and deferred income	22	22,699	34,938
		408,352	**404,859**
TOTAL EQUITY AND LIABILITIES		**7,045,787**	**7,306,104**
MEMORANDUM ITEMS	26		
Pledged assets		**–**	**-**
Contingent liabilities		**32,794**	**81,356**

Parent company statement of changes in equity

(KSEK)	Restricted equity Share capital	Restricted equity Statutory reserve	Non-restricted equity Retained earnings	Non-restricted equity Profit for the year	Total equity
Opening balance 1 January 2014	**129,600**	**25,920**	**2,957,279**	**190,293**	**3,303,092**
Distribution of previous year's profit			190,293	-190,293	**-**
Profit for the year				303,349	**303,349**
Transactions with shareholders:					
Dividends			-530,000		**-530,000**
Total transactions with shareholders	**–**	**–**	**-530,000**	**–**	**-530,000**
Closing balance 31 December 2014	**129,600**	**25,920**	**2,617,572**	**303,349**	**3,076,441**

Share capital (1,296,000 shares with a quota value of SEK 100)

	Restricted equity Share capital	Restricted equity Statutory reserve	Non-restricted equity Retained earnings	Non-restricted equity Profit for the year	Total equity
Opening balance 1 January 2015	**129,600**	**25,920**	**2,617,572**	**303,349**	**3,076,441**
Distribution of previous year's profit			303,349	-303,349	**–**
Profit for the year				366,999	**366,999**
Transactions with shareholders:					
Dividends			-530,000		**-530,000**
Total transactions with shareholders	**–**	**–**	**-530,000**	**–**	**-530,000**
Closing balance 31 December 2015	**129,600**	**25,920**	**2,390,921**	**366,999**	**2,913,440**

Parent company cash flow statement

(KSEK)	Note	2015	2014
Operating activities			
Profit after financial items		429,368	341,930
Adjustments for items not included in the cash flow:			
Depreciation/amortisation and impairments		459	382
Capital gains from sales		-46,243	-16,040
Unrealised exchange rate differences		22,912	41,090
Other items not affecting cash flow		-132,342	-84,996
Income tax paid		-48,719	-10,249
Cash flow from operating activities before changes in working capital		**225,435**	**272,117**
Cash flow from changes in working capital			
Decrease (+)/increase (-) in current receivables		80,655	-56,653
Decrease (-)/increase (+) in current liabilities		10,057	-58,845
Cash flow from operating activities		**316,147**	**156,619**
Investing activities			
Divestment of subsidiaries		46,243	38,070
Change in lending to Group companies		–	558,684
Acquisition of equipment, fixtures and fittings		-198	-1,876
Change in financial assets		265,449	-
Cash flow from investing activities		**311,494**	**594,878**
Financing activities			
Group contributions paid		-220,000	-
Loan repayments		-45,955	-82,882
Dividend paid		-530,000	-530,000
Cash flow from financing activities		**-795,955**	**-612,882**
Cash flow for the year		**-168,314**	**138,615**
Cash and cash equivalents at beginning of year		**356,812**	**208,219**
Exchange rate differences in cash and cash equivalents		**-1,821**	**9,978**
Cash and cash equivalents at end of year		**186,677**	**356,812**
Supplementary disclosures			
Interest paid		-104,225	-108,242
Interest received		76,888	135,108
Dividends from associated companies		120,000	50,000

Notes

Note 1 General information

Nordisk Renting AB is a limited company with its registered office in Stockholm, Sweden, registered number 556066-2578. The company and it's subsidiaries' ("the Group's") business concept is to acquire, own and – alongside the customer – refine properties for long-term leasing to financially strong private and public sector business partners in the Nordic region, which have a strategic interest in long-term property leasing ventures.

The parent company of the largest Group of which Nordisk Renting is a subsidiary is The Royal Bank of Scotland Plc, reg. no. sc 90312 based at 36 St Andrew Square, Edinburgh EH2 2YB, UK. The foreign parent company's consolidated accounts can be obtained via Nordisk Renting AB.

Note 2 Accounting and valuation principles

The company applies the Swedish Annual Accounts Act (1995:1554) and BFNAR 2012:1 (the general recommendations of the Swedish Accounting Standards Board for annual accounts and consolidated accounts, known as "K3").

Consolidated accounts

The consolidated accounts include the parent company Nordisk Renting AB and those companies over which the parent company directly or indirectly has a controlling interest (subsidiaries). A controlling interest entails the right to formulate another company's financial and operational strategies with the purpose of obtaining financial advantages. When assessing whether any controlling interest exists, consideration should be paid to the possession of financial instruments which may potentially give a right to vote, and which may without delay be utilised or converted to equity instruments which give a right to vote. Account should also be taken of whether the company has the possibility to govern the operation through an agent. A controlling interest normally exists when the parent company directly or indirectly holds shares that represent more than 50 percent of the votes.

The income and expenses of a subsidiary company are included in the consolidated accounts from the time of acquisition until such a time as the parent company no longer has a controlling interest over the subsidiary. See the section headed 'Business combinations' below for recognition of the acquisition and divestment of subsidiaries.

The accounting principles for subsidiaries are the same as those for the Group. All intra-Group transactions, dealing and unrealised gains and losses attributable to intra-Group transactions have been eliminated in preparing the consolidated accounts.

Business combinations

Business combinations are recognised using the acquisition method. The purchase sum for the business combination is measured at fair value at the time of acquisition, which is calculated as the sum of the fair values at the time of acquisition for transferred assets, incurred or assumed liabilities, and issued equity instruments and expenditure directly related to the business combination. The purchase sum also includes fair value at the time of acquisition for the assets or liabilities that are the result of contingent consideration provided that, at the time of acquisition, it is probable that the purchase sum will be adjusted at a later point in time and that the amount can be estimated in a reliable manner. The cost for the acquired unit is adjusted on the balance sheet date and when the final purchase sum is established, although no later than one year after the time of acquisition.

A provision pertaining to expenditure for restructuring the acquired unit's operation is included in the acquisition analysis only to the extent that the acquired unit meets the conditions for reporting a provision even before the time of acquisition.

Goodwill and negative goodwill

In the case of business combinations where the total of the purchase sum, fair value of minority shares and fair value at the time of the acquisition of former shareholdings exceeds the fair value at the time of acquisition of recognisable acquired net assets, the difference is recognised as goodwill in the consolidated balance sheet. If the difference is negative, the value of recognisable assets and liabilities should be reviewed. Negative goodwill which corresponds to anticipated future losses is taken up as income as the losses arise.

Changes in shareholdings

The acquisition or sale of shares in companies that are subsidiaries both before and after the change are recognised as a transaction between owners, and the effect of the transaction is reported directly in equity.

When the parent company loses a controlling interest over a subsidiary, all shares are deemed sold and the profit or loss that arises from the sale is recognised in the consolidated income statement. If any shares remain after the sale, they are recognised as per chapter 11 on financial instruments measured based on cost, or chapter 14 on associated companies. The cost is the fair value at the time of selling.

Shares in associated companies

An associated company is a company where the Group has a significant but not controlling interest. This normally comprises companies where the Group has 20-50 percent of the votes. Shares in associated companies are reported in accordance with the equity method.

"In applying the equity method, an investment in an associated company is initially recognised as the cost of the asset. The carrying amount is then increased or decreased based on the Group's share of the associated company's profit after the time of acquisition. Dividends received from the associated company reduce the carrying amount of the investment. It may also be necessary to adjust the carrying amount to reflect changes in the associated company's equity.

If the Group's share in an associated company's losses equals or exceeds the carrying amount of the shares in the associated company, the carrying amount is reduced until it reaches zero. Further losses are recognised as a provision only to the extent that the owning company has a legal obligation or informal obligation to cover the losses, or if the owning company has made payments on behalf of the associated company. If the associated company reports a profit in the financial year to come, the owner company should only report its share of the profit when it exceeds the share of the losses that have not been reported by the owning company.

A share in the associated company's profit after tax is recognised as "Profit from shares in associated companies" in the consolidated income statement.

Changes in shareholdings

If further shares are acquired in a company that is an associated company both before and after the acquisition, the shares that were owned before the acquisition are not revalued. If shares in an associated company are sold so that significant influence no longer exists, all shares are deemed sold and the profit or loss from the sale is recognised in the consolidated income statement. If any shares remain after the sale, they are recognised as per chapter 11 on financial instruments measured based on cost. The cost is the fair value at the time of selling.

Income

Income is recognised at the fair value of the payment that is or will be received, with deductions for value-added tax, discounts, returns and similar.

The Group's income primarily comprises lease income from leases; see also below under Leases. All income from leases, whether finance or operating, is recognised in net sales. For properties on a pure leasing basis, which are finance leases, net sales consist of the interest portion of the leasing fee.

Dividend and interest income

Dividend income is recognised when the owner's right to receive payment has been established.

Interest income is recognised over the interest term, applying the effective interest method. The effective interest is the interest that makes the present value of all future inward and outward payments during the fixed interest term equal to the carrying amount of the receivable.

Leases

A finance lease is one in which the financial risks and benefits associated with owning an asset are in all essentials transferred from the lessor to the lessee. Other leases are classified as operating leases.

The Group as lessee

The Group only has operating leases where the Group is the lessee. Leasing fees for operating leases are expensed on a straight line basis over the lease term, unless another systematic approach better reflects the user's economic benefit over time.

The Group as lessor

On initial recognition, the lessor recognises a finance leasing contract as a receivable in the balance sheet. The recognised amount corresponds to the net investment in the leasing agreement. The net investment is equal to the leased object's fair value, as the agreement is entered into including any direct expenses that arise from entering into the agreement. The lessor distributes the financial income from a finance lease in such a way that an equal return is obtained in each period of the company's net investment.

Leasing income from operating leases is taken up as income on a straight line basis over the lease term, unless another systematic approach better reflects how the economic benefits attributable to the object decrease with time.

Foreign currencies

The parent company's presentation currency is the Swedish krona (SEK).

Translation of items in foreign currencies

On each closing day, monetary items in foreign currencies are translated at the exchange rate on the closing day. Non-monetary items, which are measured at historical cost in a foreign currency, are not translated. Exchange rate differences are recognised in operating profit/loss or as a financial item based on the underlying business event, in the period they arise, the exception being transactions comprising hedges which fulfil the conditions for hedge accounting of cash flows or net investments.

Net investments in foreign operations

A monetary item which is a receivable or liability in a foreign operation, where settlement is neither planned nor likely in the foreseeable future, is deemed to be a part of the Group's net investment in the foreign operation. Exchange rate differences relating to monetary items that are a part of the company's net investment in foreign operations and which are measured based on cost are recognised in the Group's translation reserve as equity. On divestment of a net investment in foreign operations, the exchange rate difference is recognised in the income statement.

Translation of subsidiaries and foreign operations

When preparing the consolidated accounts, the assets and liabilities of foreign subsidiaries are translated into SEK at the closing day exchange rate. Income and expense items are translated at the average exchange rate for the period, unless the rate has fluctuated significantly during the period, whereby the rate on the transaction date is used. Any translation differences that arise are recognised in equity and transferred to the Group's translation reserve. On divestment of a foreign subsidiary, such translation differences are recognised in the income statement as part of the capital gain/loss.

Loan expenses

Loan expenses relating to borrowed capital attributable to the purchase, design or production of an asset that takes considerable time to complete before it can be used or sold are included in the asset's cost, until such time as the asset is completed and ready for its intended use or sale.

Other loan expenses are recognised in the income statement in the period they arise.

Remuneration to employees

Remuneration to employees in the form of pay, bonuses, paid holiday, paid sick leave etc., as well as pensions, is recognised as it is earned. Pensions and other remuneration to employees after the end of employment are classified as defined contribution or defined benefit pension plans. In all essentials, the Group has defined contribution pension plans. There are no other forms of long-term remuneration to employees.

Defined contribution plans

With defined contribution plans, the Group pays set fees to a separate, independent legal entity and has no obligation to pay further fees. The Group's accounts are expensed as the benefits are earned, which generally coincides with the time at which premiums are paid.

Income tax

The tax expense is the total of current tax and deferred tax.

Current tax

Current tax is calculated from the taxable income for the period. Taxable income differs from the profit reported in the income statement, as it has been adjusted for non-taxable income and non-deductible expenses, and for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated based on the tax rates in force on the closing day.

Deferred tax

Deferred tax is recognised for temporary differences between the carrying amount of assets and liabilities in the financial statements, and the taxable value used when calculating the taxable income. Deferred tax is recognised using the balance sheet method. Deferred tax liabilities are recognised for virtually all taxable temporary differences, and deferred tax assets are recognised for virtually all deductible temporary differences to the extent that it is likely that the amounts can be used towards future taxable surpluses. Deferred tax liabilities and tax assets are not recognised if the temporary difference is attributable to goodwill.

Deferred tax liability is recognised for taxable temporary differences attributable to investments in subsidiaries, except in cases where the Group can control the time for reversing the temporary differences and it is not obvious that the temporary difference will be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on each closing day and reduced to the extent that it is no longer likely that sufficient taxable income will be available for use, in whole or in part, towards the deferred tax asset.

The measurement of deferred tax is based on how the company, on the closing day, is expected to recover the carrying amount for the corresponding asset, or clear the carrying amount for the corresponding liability. Deferred tax is calculated based on the tax rates and tax rules that have been decided before the closing day.

Deferred tax assets and tax liabilities are offset when they refer to income tax charged by the same tax authority, and when the Group intends to settle the tax with a net amount.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when the tax is attributable to transactions recognised directly in equity. In such cases, the tax too should be recognised directly in equity. For current and deferred tax arising when recognising business combinations, the tax effect should be reported in the acquisition calculation.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment.

The cost includes the purchase price, expenses directly related to bringing the asset to the location and into the condition required for it to be used, and estimated costs for dismantling and removal of the asset and restoration of its location. Additional expenses are only included in the asset or recognised as a separate asset when it is likely that future economic benefits associated with the item will be received by the Group, and that the cost of the asset can be measured in a reliable manner. All other costs for repairs and maintenance and additional expenses are recognised in the income statement for the period when they arise.

When the difference in consumption of a tangible asset's significant components is deemed considerable, the asset is divided up into its components.

The Group's expenses for investments in properties are paid in connection with tenant-related adjustments which are made when a new lease is signed or an existing one renegotiated. These investments are recognised in the balance sheet and are depreciated over the estimated useful life, which generally corresponds to the term of the lease agreement. The Group does not normally have any additional expenses for property management as the tenant is responsible for such expenses as per the lease agreement. For properties with external management agreements, expenses for these are deemed to be equal to ongoing repair and maintenance. The Group does not therefore normally have any further expenses regarding new components or component replacements during the term of the leases.

With the above in mind, the components in the properties owned by the Group are deemed in all essentials to have the same useful lives.

Depreciation of property, plant and equipment is expensed in such a way that the asset's value less its estimated residual value at the end of its useful life is depreciated over its estimated useful life. If an asset is divided into different components, each component is depreciated separately over its useful life. Depreciation begins when the tangible asset is brought into use.

The Group's investment property with associated plant and machinery, equipment, fixtures and fittings and for which option agreements have been entered into, is written down according to individual annuity plans to the agreed option price for each asset.

For other investment properties, depreciation is carried out according to individual annuity plans based on the value of the building. The annuity plans are adapted to the property in question and take account of the property's location, condition, lease term and other factors.

Alarm installation is depreciated on a straight line basis over 20 years. Other equipment, fixtures and fittings are subject to straight line depreciation over five years.

The useful life of land is infinite, so land is not depreciated.

Estimated useful lives and depreciation methods are reviewed if there is any indication that anticipated consumption has changed significantly compared to the estimate on the previous closing day. When the company changes its assessment of useful lives, any residual value of the asset is also reviewed. The effects of these changes are recognised prospectively.

Property, plant and equipment of minor value or which may be assumed to have an economic life of three years at most are recognised as a cost on initial recognition, provided the company can make the equivalent deduction according to the Swedish Income Tax Act.

Removal from the balance sheet

The carrying amount of a tangible asset is removed from the balance sheet in the event of scrapping or disposal, or when no future economic benefits are anticipated from the use or scrapping/disposal of the asset or component. The profit or loss arising when a tangible asset or component is removed from the balance sheet is the difference between what may be received, less deductions for direct selling costs, and the carrying amount of the asset. The capital gain or loss arising when a tangible asset or component is removed from the balance sheet is recognised in the income statement under other operating income or other operating expenses.

NWrite-down of non-current assets

On each closing day, the Group analyses the carrying amounts of tangible and intangible assets to establish whether there is any indication that the assets have decreased in value. If this is the case, an estimate is made of the asset's recoverable amount to establish the value of a potential write-down. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount for the cash-generating unit to which the asset belongs.

The recoverable amount is either fair value less selling costs, or value in use, whichever is higher. Fair value less selling costs is the price the Group expects to be able to receive from a sale between knowledgeable, independent parties who have an interesting in seeing the transaction through, less any costs that are directly related to the sale. When calculating the value in use, the estimated future cash flow is discounted to present value with a discount rate before tax that reflects the current market valuation of the time value of money and the risks associated with the asset. To calculate the future cash flows, the Group has used a budget for the next five years.

If the recoverable amount of an asset (or cash-generating unit) is established to be a lower value than the carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to the recoverable amount. A write-down is to be immediately expensed in the income statement.

On each closing day, the Group assesses whether the previous write-down is no longer justified. If this is the case, the write-down is reversed in part or in whole. When a write-down is reversed, the carrying amount of the asset (or cash-generating unit) increases. The carrying amount after reversal of a write-down may not exceed the carrying amount that would have been established had the asset (or cash-generating unit) not been written down in previous years. A reversal of a write-down is recognised directly in the income statement.

Financial instruments

A financial asset or liability is recognised in the balance sheet when the Group becomes a party to the contractual terms of the instrument. A financial asset is derecognised from the balance sheet when the contractual right to the cash flow from the asset ceases or is settled, or when the Group loses control over it. A financial liability, or part of a financial liability, is derecognised from the balance sheet when the contractual obligation is fulfilled or ceases in some other way.

On initial recognition, current assets and current liabilities are measured at cost. Long-term receivables and long-term liabilities are measured at amortised cost on initial recognition. Loan expenses are distributed over a period of time as part of the loan's interest expense according to the effective interest method (see below).

After initial recognition, current assets are measured at the lower of cost and net selling price on the closing day. Current liabilities are measured at the nominal amount.

Long-term receivables and long-term liabilities are measured at amortised cost after initial recognition.

Amortised cost

Amortised cost refers to the amount at which the asset or liability is initially recognised with deductions for repayments, additions or deductions for accumulated distribution over a period of time according to the effective interest method of the initial difference between the paid/received amount, and the amount to pay/receive on the due date, and with deductions for write-downs.

The effective interest is the interest which, when discounting all future anticipated cash flows over the anticipated term, results in the initial carrying amount for the financial asset or financial liability.

Derivative instruments

The Group enters into derivative transactions with the aim of managing currency, interest and inflation risks. Derivative instruments are recognised at the lower of cost and net selling price. Derivative instruments with a negative value which are not hedging instruments when applying hedge accounting (see below) are measured at the amount which is most favourable for the company if the obligation is settled or transferred on the closing day.

Hedge accounting

The Group applies hedge accounting. The hedged item is not reassessed if there is an opposite change in value in the hedging instrument. Premiums paid or received when the hedging instrument is acquired are to be distributed over the term of the hedging instrument..

The Group has interest swaps to hedge the interest risk associated with leases that have a fixed interest rate or a fixed rent in a particular currency. Paid and received interest on hedging instruments in the same period as the interest on the hedged item is recognised.

The Group uses currency futures and loans in foreign currencies to hedge net investments in foreign currency. The hedging instrument and the hedged item are recognised at the closing day rate in the consolidated accounts. The effective portion of the reassessments is recognised directly in equity. The remainder is recognised in the income statement.

To hedge the inflation risk in the rental income, the Group has CPI swaps. Paid and received index adjustments on hedging instruments are recognised in the same period that the index adjustment on the hedged item is recognised.

Impairment of financial assets

On each closing day, the Group assesses whether there is any indication that one or more financial assets have decreased in value. Such indications might for example be significant financial difficulties on the counterparty's part, breach of agreement, or a likelihood that the counterparty will go bankrupt.

The write-down is calculated as the difference between the asset's carrying amount and the higher of fair value less selling costs and the present value of the company management's best opinion of the future cash flows the asset is expected to bring.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits with banks and other credit institutions, as well as other short-term liquid investments that can readily be converted into cash and are subject to an insignificant risk of fluctuation in value. To be classified as cash and cash equivalents, the term may not exceed three months from the time of the acquisition.

Provisions

Provisions are recognised when the Group has an existing obligation (legal or informal) as a result of an event which has taken place, it is probable that an outflow of resources will be necessary to settle the commitment, and the amount can be estimated in a reliable way.

A provision is reassessed on each closing day and adjusted so that it reflects the best approximation of the amount required to settle the existing commitment on the closing day, taking account of risks and uncertainties associated with the commitment. When a provision is calculated by estimating the payments that are expected to be necessary to settle the commitment, the carrying amount corresponds to the present value of these payments.

Where a part or the whole of the amount needed to settle a provision is expected to be paid by a third party, this compensation is to be reported separately as an asset in the consolidated balance sheet when it is as good as certain that it will be received if the company settles the commitment and the amount can be calculated in a reliable way.

Contingent liabilities

A contingent liability is a possible commitment arising from events that have taken place, and the existence of which will only be confirmed by one or more uncertain future events, that are not entirely within the company's control, occurring or failing to occur, or an existing commitment arising from events that have taken place, but which is not recognised as a liability or provision since it is not likely that an outflow of resources will be required to settle the commitment, or the scale of the commitment cannot be calculated with sufficient reliability. Contingent liabilities are recognised as memorandum items in the balance sheet.

Contingent assets

A contingent asset is a possible asset arising from events that have taken place, and the existence of which will only be confirmed by one or more uncertain future events, that are not entirely within the company's control, occurring or failing to occur. A contingent asset is not recognised as an asset in the balance sheet.

Cash flow statement

The cash flow statement shows the Group's changes in cash and cash equivalents during the financial year. The cash flow statement has been prepared using the indirect method. The recognised cash flow only includes transactions that have involved disbursements or receipts of cash.

Parent company's accounting principles

The differences between the parent company's and the Group's accounting principles are described below:

Subsidiaries

Shares in subsidiaries are recognised at cost. Dividends from subsidiaries are recognised as income when the right to receive a dividend is deemed certain and can be calculated in a reliable way.

Shares in associated companies

Shares in associated companies are recognised at cost less any write-down. Dividends from shares in associated companies are recognised as income in the income statement.

Group contributions

Group contributions received and paid are recognised as appropriations in the income statement.

Hedge accounting

In cases where external interest-bearing liabilities in a currency other than SEK are used to hedge the currency risk in investments in subsidiaries, the liabilities are recognised at the exchange rate on the day the hedge was taken out.

Taxes

In the parent company, untaxed reserves are recognised inclusive of deferred tax liability. In the consolidated accounts, however, untaxed reserves are divided into deferred tax liability and equity.

Note 3 Critical accounting estimates and assessments

Important sources of uncertainty in estimates

Below is a description of the most important assumptions regarding the future, and other important sources of uncertainty in estimates on the closing day, which entail a significant risk of considerable adjustments in carrying amounts for assets and liabilities over the next financial year.

The company management assesses the useful life of property, plant and equipment at each report occasion based on condition, the lease term and any options that are in place. Changes in useful lives affect the figures in the form of altered depreciation in subsequent periods.

Important assessments when applying the Group's accounting principles

The following section outlines the most important assessments, apart from those that include estimates (see above), which the company management has made when applying the Group's accounting principles and which have the greatest impact on the amounts provided in the financial statements.

The company continuously monitors the situation to ensure that the non-current assets do not have a book value that exceeds the recoverable amount. Assessing the recoverable amount requires assumptions and estimates to be made about the future. Should the actual outcome deviate from the assessed amounts, this could lead to a write-down of the book values.

Note 4 Derivatives and financial instruments

The Group has derivative contracts in the form of interest swaps, currency futures and CPI swaps.

Currency risk

Currency risk refers to the risk that the fair value or future cash flows fluctuate as a result of altered exchange rates. The Group has operations on several geographical markets and in several currencies, and is therefore exposed to currency risk. Exposure to currency risks originates partly in payment flows in foreign currencies (transaction exposure), translation of balance sheet items in foreign currencies (currency exposure), and when translating the income statements and balance sheets of foreign subsidiaries to the Group's presentation currency, which is the Swedish krona or SEK (translation exposure).

The Group's in and outflows primarily consist of SEK and EUR. The Group is therefore affected by fluctuations in these currencies' exchange rates to a limited extent. The Group does not hedge cash flows in foreign currencies.

The balance exposure primarily relates to EUR and NOK. The currency exposure in the balance sheet is not hedged. However, parts of the exposure below comprise hedging instruments. The Group's and the parent company's balance exposure is outlined below:

	Group		Parent company	
Currency	**2015-12-31**	**2014-12-31**	**2015-12-13**	**2014-12-13**
KEUR	1,576	2,198	1,520	826
KNOK	5,760	3,039	7,249	1,820

The Group's holdings in foreign operations means that net assets are exposed to currency risks. Currency exposure for net investments in foreign currencies is managed partly through borrowing and partly through entering into forward agreements in the same currencies as the net investments. These instruments are identified as hedging of net investments. The Group's translation exposure is outlined below:

	Group	
Currency	**2015-12-31**	**2014-12-31**
KEUR	225,386	228,112
KNOK	400,926	412,078
KDKK	455	434

The external loans used to hedge net assets in NOK amount to KNOK 361,177 (400,344) on the closing day. The internal loans used to hedge net assets in EUR amount to KEUR 99,318 (99,318) on the closing day. The Group's holding of currency futures used to hedge net assets in EUR amount to KEUR 124,548 (127,967) on the closing day. The Group's holding of currency futures used to hedge net assets in NOK amount to KNOK 32,500 (9,000).

Interest risk

Interest risk refers to the risk that the fair value or future cash flows will fluctuate as a result of altered market rates of interest. The Group is primarily exposed to interest risk through its rental income for finance leases. Some of the leases are subject to variable interest while others have fixed interest. The latter include both fixed interest and fixed rent in the respective currency (SEK, EUR and NOK).

For leases with variable interest the Group has variable financing, which means an economic hedge where the interest risk in the rent matches the interest risk in the variable borrowing.

For leases with either fixed interest or fixed rent in the respective currency, the Group has an interest risk and has therefore entered into interest swap agreements. On the closing day the Group had interest swap agreements with a nominal amount of KSEK 82,795 (185,329) and KEUR 53,358 (73,641). Hedge accounting is applied. The Group is also affected by altered market rates of interest as a result of the derivative instruments held to hedge the currency exposure (see above).

CPI or inflation risk

CPI or inflation risk refers to the risk that future cash flows will fluctuate as the result of an altered CPI. Some of the lease agreements contain CPI clauses, which means the level of rent is calculated based on the CPI index. To hedge this risk the Group has entered into CPI swaps, which means the Group swaps variable CPI for fixed CPI. On the closing day the Group had CPI swap agreements with a nominal amount of KSEK 67,576 (67,576) and KEUR 17,368 (17,368). Hedge accounting is applied.

Liquidity risk

Liquidity risk refers to the risk that the Group has problems meeting its commitments relating to its financial liabilities. Since the parent company is part of The Royal Bank of Scotland, of which the British government is the majority owner, the liquidity risk is not deemed to be significant.

Credit risk

Credit risk refers to the risk that the counterparty in a transaction causes the Group a loss by not fulfilling its contractual obligations. The Group's exposure to credit risk can primarily be attributed to accounts receivable and positive derivatives.

The Group's and parent company's maximum exposure to credit risk is deemed to equate to the carrying amounts of all financial assets. The maximum credit risk amounts to KSEK 225,562 (183,380) for the Group and KSEK 117,917 (6,077) for the parent company.

Fair value of derivatives

Fair value of derivatives identified as hedging instruments

	Group		Parent company	
	2015-12-31	**2014-12-31**	**2015-12-31**	**2014-12-31**
Currency futures	18,189	8,033	–	–
Hedging of net investments				
Interest swaps	-175,202	-211,564	–	–
Hedging of interest risk				
CPI swaps	-59,381	-62,443	–	–
Hedging of inflation risk				
Total	**-216,394**	**-282,040**	**–**	**–**

Fair value of derivatives not held as hedging instruments

	Group		Parent company	
	2015-12-31	**2014-12-31**	**2015-12-31**	**2014-12-31**
Currency futures	795	-579	–	-10,939
Interest swaps	–	–	-20,672	-26,099
CPI swaps	–	–	-17,027	-18,261
Total	**795**	**-579**	**-37,699**	**-55,299**

Note 5 Break-down of net sales

	Group		Parent company	
Net sales by geographic market	**2015**	**2014**	**2015**	**2014**
Sweden	457,632	827,400	10,801	11,048
Norway	63,441	75,886	–	–
Finland	427,070	439,184	–	–
Total	**948,143**	**1,342,470**	**10,801**	**11,048**

Gross profit by type of management

Group 2015

	Lease agreements	**Facility management**	**Total**
Net sales, operational agreements	865,506	10,087	875,593
Net sales, financial agreements	39,878	32,672	72,550
Total	**905,384**	**42,759**	**948,143**
Property and operating expenses	-95,969	-2,275	-98,244
Operating surplus	**809,415**	**40,484**	**849,899**
Depreciation/ amortisation	-255,997	-1,301	-257,298
Gross profit	**553,418**	**39,183**	**592,601**

Group 2014

	Lease agreements	**Facility management**	**Total**
Net sales, operational agreements	1,245,759	13,661	1,259,420
Net sales, financial agreements	51,148	31,902	83,050
Total	**1,296,907**	**45,563**	**1,342,470**
Property and operating expenses	-100,236	-3,419	-103,655
Operating surplus	**1,196,671**	**42,144**	**1,238,815**
Depreciation/ amortisation	-289,581	-2,848	-292,429
Gross profit	**907,090**	**39,296**	**946,386**

Note 6 Purchases and sales within the same Group

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Purchase	18,5 %	12,8 %	17,9 %	11,8 %
Sales	1,2 %	0,7 %	91,7 %	80,4 %

Note 7 Information regarding remuneration to the auditor

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Deloitte AB				
Audit engagement	2,007	1,824	1,115	1,053
Other services	194	139	194	139
Total	**2,201**	**1,963**	**1,309**	**1,192**

Audit engagement refers to the auditor's remuneration for the statutory audit. This includes auditing the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and CEO, as well as fees for audit advice provided in connection with the audit engagement.

Audit services in addition to audit engagement refer to other quality assurance services that are to be performed in accordance with statutes, the company's articles of association, regulations or agreements.

Other services refer to expenses not classified as audit engagement, audit services in addition to audit engagement or tax advice.

Note 8 Number of employees, salaries, other remuneration and payroll overheads

	2015		2014	
Average number of employees	**Number of employees**	**Of whom men**	**Number of employees**	**Of whom men**
Parent company				
Sweden	15	7	12	7
Total in parent company	**15**	**7**	**12**	**7**
Subsidiaries				
Finland	4	3	3	2
Total in subsidiaries	**4**	**3**	**3**	**2**
Total in Group	**19**	**10**	**15**	**9**

	Group		Parent company	
	2015-12-31	**2014-12-31**	**2015-12-31**	**2014-12-31**
Gender distribution of senior executives on the closing day				
Women:				
other people in the company's management incl. CEO	2	1	2	1
Men:				
Board members	3	3	3	3
Other people in the company's management incl. CEO	4	5	3	5
Total	**9**	**9**	**8**	**9**

Under an agreement with The Royal Bank of Scotland Plc (RBS) in the Nordic region, the company acquires services such as finance, customer and business communication, and HR from RBS Nordic Region. The acquired services equate to around 5 full-time employees.

Salaries, other remuneration etc.	2015 Salaries and other remuneration	2015 Payroll overheads (of which pension costs)	2014 Salaries and other remuneration	2014 Payroll overheads (of which pension costs)
Parent company	14,050	9,957	14,789	5,702
		(4,564)		(1,179)
Subsidiaries	2,079	543	1,683	1,485
		(482)		(540)
Total in Group	**16,129**	**10,500**	**16,472**	**7,187**
		(5,046)		**(1,719)**

Distribution of salaries and other remuneration between Board members and employees	2015 Board and CEO (of which bonuses and similar)	2015 Other employees	2014 Board and CEO (of which bonuses and similar)	2014 Other employees
Parent company	2,493	11,557	2,403	12,386
	(834)	(530)	(766)	(751)
Subsidiaries	–	2,079	–	1,683
Total in Group	**2,493**	**13,636**	**2,403**	**14,069**
	(834)	**(530)**	**(766)**	**(751)**

Salaries and other remuneration to the CEO and Board members	Salaries and remuneration	Of which bonuses	Payroll overheads	Of which pension costs
CEO	1,897	(834)	1,429	(670)
Board of Directors	762	–	118	–

Pensions

The Group's cost for defined contribution pension plans amounts to KSEK 4,884 (1,477). The parent company's cost for defined contribution pension plans amounts to KSEK 4,564 (1,179). The Group's cost for defined benefit pension plans amounts to KSEK 162 (242). The parent company's cost for defined benefit pension plans amounts to KSEK 0 (0).

KSEK 670 (545) of the Group's and parent company's pension costs pertains to the CEO. Pension costs for the Board of Directors amount to KSEK 0 (0).

Agreement regarding severance pay

Nordisk Renting's CEO stepped down on 31 December 2015. No severance pay was paid.

There is a mutual notice period between the company and other senior executives of 3–6 months. There is no agreement regarding severance pay.

Note 9 Depreciation and impairment of property, plant and equipment

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Property and operating expenses	178,169	554,822	–	-
Business and marketing expenses	241	186	228	174
Administrative expenses	243	221	231	208
Total	**178,653**	**555,229**	**459**	**382**

Note 10 Profit from sale of property and shares

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Sale of shares in Group companies	55,679	65,911	46,243	16,040
Reversal of accrued expenses	–	4,546	–	-
Total	**55,679**	**70,457**	**46,243**	**16,040**

Note 11 Profit from other securities and receivables classified as non-current assets

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Dividend	–	–	252,594	134,997
Write-downs	–	-291,859	–	-
Reversal of write-downs	79,129	29,467	–	-
Total	**79,129**	**-262,392**	**252,594**	**134,997**

Note 12 Other interest income and similar income

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Interest income	305	7,051	65	6,299
Interest income, Group companies	422	5,119	76,711	115,118
Other financial income	–	-	9,872	3,640
Exchange rate differences	144	3,971	111,858	93,712
Total	**871**	**16,141**	**198,506**	**218,769**

Note 13 Interest expenses and similar expenses

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Interest expenses	-25,115	-35,543	-2,224	-665
Interest expenses, Group companies	-286,747	-311,646	-90,666	-103,304
Other financial expenses	-4,121	-6,111	-4,953	-5,596
Exchange rate differences	-2,784	6,163	-78,613	-194,445
Total	**-318,767**	**-347,137**	**-176,456**	**-304,010**

Note 14 Tax on profit for the year

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Current tax	-38,917	-116,229	-27,804	-56,447
Deferred tax	28,460	4,026	5,233	4,466
Tax on profit for the year	**-10,457**	**-112,203**	**-22,571**	**-51,981**

Reconciliation of the year's tax expense

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Recognised profit before tax	152,604	415,746	389,570	355,330
Tax according to tax rate for the parent company (22%)	-33,573	-91,465	-85,706	-78,173
Effect of other tax rates in foreign subsidiaries	-2,192	195	–	-
Non-deductible expenses	-876	-51,682	-451	-1,536
Non-taxable income	357	11,902	55,588	30,716
Temporary differences	27,121	27,814	7,997	-471
Temporary differences from change in tax rate	68	96	–	-
Other	-4,417	-6,365	–	-
Total	**-13,512**	**-109,505**	**-22,572**	**-49,464**
Adjustments recognised in the current year referring to current tax in previous year	3,055	-2,698	1	-2,517
Recognised tax expense for the year	**-10,457**	**-112,203**	**-22,571**	**-51,981**

Note 15 Investment property

Group 2015

	Land and buildings	Construction in progress	Plant and machinery	Equipment, fixtures and fittings	Total
Opening balance acquisition cost	13,282,790	225	393,868	350,428	14,027,311
Adjustment for cost of building	1,420,119	–	–	–	1,420,119
Adjustment for cost of land	-1,420,119	–	–	–	-1,420,119
Purchases	93,608	9,439	10,660	-92,227	21,480
Sales/disposals	-1,332,230	–	-7,019	–	-1,339,249
Construction now in use	9,664	-9,664	–	–	-
Translation differences for the year	-213,063	–	-11,463	-885	-225,411
Closing balance accumulated acquisition cost	**11,840,769**	**–**	**386,046**	**257,316**	**12,484,131**
Opening balance depreciation/amortisation	-1,717,541	–	-202,446	-130,124	-2,050,111
Purchases	-934	–	–	–	-934
Sales/disposals	317,897	–	2,264	87,628	407,789
Depreciation/amortisation according to plan for the year	-215,776	–	-10,252	-8,876	-234,904
Depreciation/amortisation surplus	-22,394	–	–	–	-22,394
Translation differences for the year	22,648	–	4,641	884	28,173
Closing balance accumulated depreciation/ amortisation	**-1,616,100**	**–**	**-205,793**	**-50,488**	**-1,872,381**
Opening balance write-downs	-300,345	–	–	–	-300,345
Reversed write-downs	79,129	–	–	–	79,129
Translation differences for the year	1,643	–	–	–	1,643
Closing balance accumulated write-downs	**-219,573**	**–**	**–**	**–**	**-219,573**
Closing balance residual value	**10,005,096**	**–**	**180,253**	**206,828**	**10,392,177**
Of which cost for land	**1,210,772**				
Tax assessment values, land and buildings (in Sweden)	2,199,765				
of which land	482,236				

Group 2014

	Land and buildings	Construction in progress	Plant and machinery	Equipment, fixtures and fittings	Total
Opening balance acquisition cost	13,765,826	163,087	397,780	371,189	14,697,882
Purchases	43,383	47,638	–	240	91,261
Sales/disposals	-1,087,857	–	-24,976	-21,447	-1,134,280
Construction now in use	215,066	-215,066	–	–	-
Translation differences for the year	346,372	4,566	21,064	446	372,448
Closing balance accumulated acquisition cost	**13,282,790**	**225**	**393,868**	**350,428**	**14,027,311**
Opening balance depreciation/amortisation	-1,734,518	–	-185,251	-131,713	-2,051,482
Sales/disposals	293,196	–	7,576	15,338	316,110
Depreciation/amortisation according to plan for the year	-219,020	–	-13,098	-13,475	-245,593
Depreciation/amortisation surplus	-20,817	–	–	–	-20,817
Translation differences for the year	-36,382	–	-11,673	-274	-48,329
Closing balance accumulated depreciation/amortisation	**-1,717,541**	**–**	**-202,446**	**-130,124**	**-2,050,111**
Opening balance write-downs	-27,318	–	–	–	-27,318
Sales/disposals	15,227	–	–	–	15,227
Reversed write-downs	3,447	–	–	–	3,447
Write-downs for the year	-291,859	–	–	–	-291,859
Translation differences for the year	158	–	–	–	158
Closing balance accumulated write-downs	**-300,345**	**–**	**–**	**–**	**-300,345**
Closing balance residual value	**11,264,904**	**225**	**191,422**	**220,304**	**11,676,855**
Of which cost for land	**1,366,605**				
Tax assessment values, land and buildings (in Sweden)	2,199,831				
of which land	482,368				

For investment properties corresponding to a book value of SEK 4,736m (6,053), agreements were drawn up for future pre-emptions or purchase options. The average remaining term of lease to the next option or pre-emption point was 4.2 (4.6) years.

The fair value for all investment properties amounts to SEK 11,500m (12,077). An independent valuation of all properties has been performed by Cushman & Wakefields. The valuation has been performed in a uniform way and based on a cash flow model. The value of property holdings is calculated as the total present value of the operating surplus plus the present value of the assessed residual value. The residual value comprises the total present value of the operating surplus for the remaining economic life. In addition there is the assessed market value of undeveloped land and building rights. The starting point for the valuation has been an individual assessment for each property of both the future earning capacity and the market's return requirements.

The following significant assumptions have been used:

Assumptions about cash flow

When assessing the properties' future earning capacity, in addition to an inflation assumption, the following factors have been taken into account: any changes in the level of rent based on each contract's rent and due date compared to the estimated current market rent, changes in the level of let occupancy, and property expenses. Property expenses refer to costs for operation, maintenance, property tax and property administration.

Assumptions about return requirements

The return requirement on capital is individual to each property and based on assumptions about the real rate of interest, inflation and risk premium. The risk premium is individual to each property and can be divided into general and individual risk. The general risk is an addition because a property investment is not liquid to the same extent as a bond, and because the asset is dependent on general economic development. The individual risk is specific to each property and comprises a weighted assessment of the property's category, its location, the property's position within the location taking into account the property's category, whether the property is correctly laid out, suited to its purpose and makes efficient use of the surface area, its technical standard, the composition of the contract, whereby factors such as the length, size and number of the contracts are taken into account and, where applicable, adjustments for site leasehold.

The residual value is discounted by return on total capital less growth equating to inflation with the aim of not assuming perpetual real growth. To gain an idea of the market's return requirements, the company tracks completed property transactions on the market. If there are no transactions in a particular location or for a particular property type, comparison information is instead obtained from a similar location or property type.

During the year the Group set up loan expenses as an asset under cost.

Note 16 Equipment

	Group		Parent company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Opening balance acquisition cost	5,929	4,069	4,296	2,527
Purchases	199	1,876	199	1,876
Sales/disposals	-569	-112	-569	-107
Translation difference	-36	96	–	-
Closing balance accumulated acquisition cost	**5,523**	**5,929**	**3,926**	**4,296**
Opening balance depreciation/amortisation according to plan	-3,197	-2,809	-1,692	-1,417
Sales/disposals	317	107	317	107
Depreciation/amortisation according to plan for the year	-484	-384	-459	-382
Translation difference	32	-111	–	-
Closing balance accumulated depreciation/amortisation according to plan	**-3,332**	**-3,197**	**-1,834**	**-1,692**
Closing balance residual value	**2,191**	**2,732**	**2,092**	**2,604**

Note 17 Shares in associated companies

	Group		Parent company [2]	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Opening balance carrying amount	351,447	343,056	220,000	220,000
Profit shares in associated companies [1]	28,816	58,015	–	-
Dividends	-120,000	-50,000	–	-
Translation differences	-10,736	376	–	-
Closing balance carrying amount	**249,527**	**351,447**	**220,000**	**220,000**

[1] Share in the associated company's profit after tax.
[2] During the financial year the parent company received dividends from associated companies amounting to KSEK 120,000 (50,000). These have been recognised as income in the income statement.

Group

				Book value	
Company name	**Proportion of equity**	**Share of voting power**	**Number of shares**	**2015-12-31**	**2014-12-31**
Airside Properties AB	50 %	50 %	500	249,527	351,447
Total				**249,527**	**351,447**

			Share in profits [1]	
Company name	**Reg. no.**	**Registered office**	**2015**	**2014**
Airside Properties AB	556597-6965	Stockholm	28,816	58,015
			28,816	**58,015**

Parent company

				Bokfört värde	
Company name	**Proportion of equity**	**Share of voting power**	**Number of shares**	**2015-12-31**	**2014-12-31**
Airside Properties AB	50 %	50 %	500	220,000	220,000
Summa				**220,000**	**220,000**

Företagets namn	**Org.nr**	**Säte**
Airside Properties AB	556597-6965	Stockholm

Not 18 Deferred tax asset and deferred tax liability

	Group		Parent company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Deferred tax asset				
Option premiums	134	163	62	69
Derivatives	–	1,767	1,240	5,112
Other provisions	1,417	1,413	–	-
Total deferred tax asset	**1,551**	**3,343**	**1,302**	**5,181**
Deferred tax liability				
Properties	90,544	104,257	26,617	38,234
Equipment	46,128	40,331	17,019	14,514
Tax allocation reserve	65,890	80,587	–	-
Derivatives	4,001	-	2,658	2,658
Total deferred tax liability	**206,563**	**225,175**	**46,294**	**55,406**

The tax rate for calculating deferred tax is 22.0 percent (22.0) for Sweden, 20.0 percent (20.0) for Finland, 25.0 percent (27.0) for Norway and 22.0 percent (23.5) for Denmark. Deferred tax liability relating to properties in the Parent company relates to directly owned trading partnerships and limited companies.

Note 19 Leases

Operating leases – lessee

The Group is a lessee through operating leases regarding office premises. Leasing fees expensed during the year for operating leases total KSEK 9,426 (8,667) in the Group and KSEK 8,449 (7,723) in the parent company. Future minimum fees regarding non-terminable operating leases fall due as follows:

	Group		Parent company	
Due date	**2015**	**2014**	**2015**	**2014**
Within one year	6,458	7,522	5,725	6,002
Later than one year but within five years	16,445	19,378	16,445	18,238
In over 5 years	–	3,117	0	3,117
Total	**22,903**	**30,017**	**22,170**	**27,357**

Operating leases – lessor

The Group is a lessor through operating leases regarding properties. Variable fees primarily relate to the variable interest component in the leasing fee and invoiced ongoing costs. Variable fees included in income for the financial year total KSEK 89,795 (128,097) in the Group. The total variable income for agreements with variable components, i.e. not only the change compared to the size of these components when entering into the lease, has been recognised in profit for the year. This is because Nordisk Renting's hedging strategy means that such a disclosure is not considered to be of material importance. Information about the applied hedging strategy can be found in Note 4. See Note 15 for changes to book value. Future minimum fees regarding non-terminable operating leases fall due as follows:

	Group	
Due date	**2015**	**2014**
Within one year	675,773	1,818,920
Later than one year but within five years	6,364,855	6,308,882
In over 5 years	1,908,538	2,377,925
Total	**8,949,166**	**10,505,727**

The company has based these data on the situation at the end of 2015.

Finance leases – lessor

The Group is a lessor through finance leases regarding properties. The lease terms vary from 1 to 26 years. Variable fees primarily relate to the variable interest component in the leasing fee and invoiced ongoing costs. Variable fees included in income for 2015 amount to KSEK 19,060 (29,663) in the Group. The total variable income for agreements with variable components, i.e. not only the change compared to the size of these components when entering into the lease, has been recognised in profit for the year. This is because Nordisk Renting's hedging strategy means that such a disclosure is not considered to be of material importance. Information about the applied hedging strategy can be found in Note 4.

	Group	
	2015-12-31	**2014-12-31**
Unearned financial income	248,642	273,924
Non-guaranteed residual value	263,115	266,598
Long-term portion	1,092,073	910,516
Current portion	65,209	263,485
Total	**1,157,282**	**1,174,001**

The company has based these data on the situation at the end of 2015.

Book values for finance leases

	Group	
	2015-12-31	**2014-12-31**
Opening balance acquisition cost	1,865,055	1,904,827
Purchases	23,655	6,785
Sales/disposals	-313,821	-36,901
Repayments for the year	-64,181	-65,829
Construction now in use	–	-2,316
Translation differences	-16,089	58,489
Total	**1,494,619**	**1,865,055**

Note 20 Prepaid expenses and accrued income

	Group		*Parent company*	
	2015-12-31	**2014-12-31**	**2015-12-31**	**2014-12-31**
Accrued interest income	18,189	3,295	–	242
Prepaid operating costs	24,082	16,508	3,294	3,305
Other items	63	-	–	-
Total	**42,334**	**19,803**	**3,294**	**3,547**

Note 21 Long-term liabilities

	Group		*Parent company*	
	2015-12-31	**2014-12-31**	**2015-12-31**	**2014-12-31**
Long-term liabilities which fall due for payment later than five years after the closing day:				
Liabilities to credit institutions	1,006,583	2,118,084	–	-
Liabilities to Group companies	3,008,636	4,926,457	2,147,741	2,195,844
Other liabilities	15,094	30,143	94	125
Total	**4,030,313**	**7,074,684**	**2,147,835**	**2,195,969**

The Group's utilised bank overdraft facilities amount to KSEK 0 (0) and are included under Liabilities to credit institutions. The limit for the bank overdraft facilities amounts to KSEK 488,059 (490,839).

The parent company's utilised bank overdraft facilities amount to KSEK 0 (0) and are included under Liabilities to credit institutions. The limit for the bank overdraft facilities amounts to KSEK 488,059 (490,839).

Note 22 Accrued expenses and deferred income

	Group		*Parent company*	
	2015-12-31	**2014-12-31**	**2015-12-31**	**2014-12-31**
Accrued salary	1,002	2,709	1,002	2,709
Accrued holiday pay	1,825	1,653	1,406	1,303
Accrued payroll overheads	1,567	971	1,471	756
Accrued interest expenses	55,942	69,845	17,156	28,484
Prepaid rental income	175,701	227,359	–	-
Other items	15,855	7,322	1,664	1,686
Total	**251,892**	**309,859**	**22,699**	**34,938**

Note 23 Appropriations

	Parent company	
	2015	**2014**
Group contributions received	118,400	132,400
Group contributions paid	-225,000	-49,000
Change in tax allocation reserve	66,802	-70,000
Total	**-39,798**	**13,400**

Note 24 Shares in Group companies

	Parent company	
	2015-12-31	2014-12-31
Opening balance acquisition cost	2,583,216	2,605,246
Sales	–	-22,030
Closing balance acquisition cost	**2,583,216**	**2,583,216**

				Book value	
Company name	Proportion of equity	Share of voting power	Number of shares	2015-12-31	2014-12-31
IR IndustriRenting AB	100 %	100 %	400,000	2,822	2,822
Nordisk Specialinvest AB	100 %	100 %	5,060	838	838
Nordisk Renting HB	100 %	100 %		–	-
Nordisk Renting Kapital AB	100 %	100 %	1,000	249	249
Nordisk Renting A/S	100 %	100 %	5	520	520
Nordisk Renting Oy	100 %	100 %	10,000	950,340	950,340
Nordisk Renting AS	100 %	100 %	1,000	399,600	399,600
Svenskt Fastighetskapital Holding AB	100 %	100 %	100	100	100
Nordisk Renting Facilities Management AB	100 %	100 %	1,000	100	100
Nordiska Strategifastigheter Holding AB	100 %	100 %	1,000	940,214	940,214
Bil Fastigheter i Sverige AB	100 %	100 %	2,000	250,378	250,378
Mons Investment AB	100 %	100 %	10,000	7,558	7,558
Förv bol Predio 3 KB	100 %	100 %		–	-
Forskningshöjden KB	100 %	100 %		7,500	7,500
Optimus KB	100 %	100 %		1,000	1,000
Eurohill 4 KB	100 %	100 %		20,996	20,996
KB Eurohill	100 %	100 %		–	-
Bong Fastigheter KB	100 %	100 %		1,000	1,000
IT's Farsta KB	100 %	100 %		Sold	-
Lerumskrysset KB	100 %	100 %		–	-
Braheberget KB	100 %	100 %		–	-
Brödmagasinet KB	100 %	100 %		–	-
Läkten 1 KB	100 %	100 %		–	-
Tingsbrogården KB	100 %	100 %		–	-
Stora Kvarnen KB	100 %	100 %		1	1
Total				**2,583,216**	**2,583,216**

Company name	Reg. no.	Registered office
IR IndustriRenting AB	556288-4428	Stockholm
Nordisk Specialinvest AB	556100-8631	Stockholm
Nordisk Renting HB	916631-9559	Stockholm
Nordisk Renting Kapital AB	556548-0802	Stockholm
Nordisk Renting A/S	15129573	Copenhagen
Nordisk Renting Oy	745 445	Helsinki
Nordisk Renting AS	986 953 388	Oslo
Svenskt Fastighetskapital Holding AB	556590-7291	Stockholm
Nordisk Renting Facilities Management AB	556632-9925	Stockholm
Nordisk Strategifastigheter Holding AB	556641-0055	Stockholm
Bil Fastigheter i Sverige AB	556486-9278	Stockholm
Mons Investment AB	556527-4106	Stockholm
Förv bol Predio 3 KB	916624-2173	Stockholm
Forskningshöjden KB	916620-1393	Stockholm
Optimus KB	916620-1450	Stockholm
Eurohill 4 KB	916533-7636	Stockholm
KB Eurohill	969622-6381	Stockholm
Bong Fastigheter KB	969655-5763	Stockholm
Lerumskrysset KB	969646-1939	Stockholm
Braheberget KB	969655-6738	Stockholm
Brödmagasinet KB	916620-1419	Stockholm
Läkten 1 KB	969694-5568	Stockholm
Tingsbrogården KB	969694-5394	Stockholm
Stora Kvarnen KB	969729-1822	Stockholm

Note 25 Untaxed reserves

	Parent company	
	2015-12-31	2014-12-31
Tax allocation reserve Tax 11	–	96,802
Tax allocation reserve Tax 12	82,500	82,500
Tax allocation reserve Tax 13	63,000	63,000
Tax allocation reserve Tax 14	54,000	54,000
Tax allocation reserve, financial year 2014	70,000	70,000
Tax allocation reserve, financial year 2015	30,000	-
Total	**299,500**	**366,302**

Note 26 Memorandum items

Pledged assets	Group 2015-12-31	Group 2014-12-31	Parent company 2015-12-31	Parent company 2014-12-31
Real estate mortgages	1,309,321	2,429,285	–	–
Total	**1,309,321**	**2,429,285**	**–**	**–**

Contingent liabilities	Group 2015-12-31	Group 2014-12-31	Parent company 2015-12-31	Parent company 2014-12-31
Liabilities in subsidiary partnerships	–	–	32,794	81,356
Total	**–**	**–**	**32,794**	**81,356**

The Group has pledged assets in subsidiaries as security for loans from credit institutions. The parent company is responsible for its subsidiary partnerships' external liabilities in line with corporate agreements.

Note 27 Disclosures regarding related parties

Strand European Holdings AB, registered office Stockholm, owned 100 percent of the shares in Nordisk Renting AB at the beginning of 2015. Strand European Holdings AB is a wholly-owned subsidiary of The Royal Bank of Scotland Plc. Interest expenses relating to loans from The Royal Bank of Scotland amounted to SEK 286m (312) during the year. The debt to The Royal Bank of Scotland amounted to SEK 6,545m (6,882) on 31 December 2015.

Transactions between the company and its related parties have taken place on market terms.

Board of Directors

Sven-Åke Johansson
Chairman of Nordisk Renting AB during two ownership periods: Nordea 1992 – 2003 and RBS 2003 – 2014.

Göte Dahlin
Deputy Chairman of Nordisk Renting AB since 2001. Board member since 1998 Formerly CEO of Nordisk Renting AB (1986 until October 2001).

Nick Jordan
Board member of Nordisk Renting AB since 2007.

Reinhold Geijer
Board member of Nordisk Renting AB 2001 – 2015. CEO of Nordisk Renting AB during the same period.

Andrew Blincoe
Board member in Nordisk Renting AB since 1 January 2016.

Caroline Bertlin
Board member in Nordisk Renting AB since 1 January 2016. CEO of Nordisk Renting AB since 1 January 2016.

Senior Executives

Reinhold Geijer
President and CEO until 31 December 2016.

Ulrika Grundén
CFO

Ian Harcourt
Head of Client Management

Lennart Ingefeldt
Senior Client Manager

Charlotta Wallman Hörlin
Chief Legal Officer. Deputy CEO since 1 January 2016.

Johan Salin
Head of Tax

Anna Fall
Head of Marketing & Communications

Caroline Bertlin
CEO since 1 January 2016.

Auditor's report

To the annual meeting of the shareholders of Nordisk Renting AB (publ) Corporate identity number 556066-2578

Report on the annual accounts and consolidated accounts
I have audited the annual accounts and consolidated accounts of Nordisk Renting AB for the financial year 2015-01-01 – 2015-12-31.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with the Annual Accounts Act and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
My responsibility is to express an opinion on these annual accounts and consolidated accounts based on my audit. I conducted my audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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 Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions
In my opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements
In addition to my audit of the annual accounts and consolidated accounts, I have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Nordisk Renting AB for for the financial year 2015-01-01 – 2015-12-31.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility
My responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on my audit. I conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss, I examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for my opinion concerning discharge from liability, in addition to my audit of the annual accounts and consolidated accounts, I examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. I also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Opinions
I recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 19 April 2016

Jan Palmqvist
Authorized Public Accountant

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