Jefast Holding AB (publ)
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Year-end Report 2015

Annual Financial Statement and Consolidated Reports for the Fiscal Year (IFRS)
2015-01-01 to 2015-12-31

Introduction to Jefast

Jefast was founded in 1977 and has since then had it's headquarter in Höganäs, Skåne. Jefast owns and develops properties in Höganäs and Helsingborg and its close surroundings, as well as a hotel in Fort Lauderdale, Florida USA. The company owns a total of 32 properties among these, both commercial and residential properties.




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Directors Report

Information about the operations

The Group's head office is based in Höganäs.

Business Concept

Jefast Group's primary business model is to be an active property owner and to effectively manage and develop their own real estate market in Northwest Skåne in Sweden with adequate housing and premises. The property portfolio consists of 32 (31) properties with a market value of 1 851 519 tkr.

Operations and Organization

Jefast Group's Swedish organization consisted of 14 people by year-end. During the year, there has been some reorganization made through retirement, and hiring of two people. The organization is responsible for the financial and technical management and Jefast Byggservice AB works with both internal and external services.

Significant events during the financial year and after its closing

Jefast in Sweden

During the year, the ongoing housing management progressed very well with a high occupancy rate. Jefast's ongoing efforts to make the organization more efficient and negotiate contracts with new partners generated a net operating income for the property management of 48.7 mkr (48.9 mkr).

Acquisitions

Kv Sockerbruket

During the fourth quarter of 2015 Kv Sockerbruket in central Helsingborg was acquired through a purchase of a new company. It is a mixed property with four apartments and premises, including Nordea and Trygghetsrådet as tenants.

Manere AB

During the financial year 2015 Jefast AB bought the last shares from the minority shareholders in Manere AB and it´s now a fully owned subsidiary. This means that Jefast AB now has the full control over the properties Kv Holland 25 in Helsingborg and Kv Odeon 18 in Höganäs.

Signed purchased agreements

In the end of 2015, Jefast signed an agreement to acquire Söderåsens Bostad AB. It is a portfolio of properties located in Åstorp, about 15 minutes to the center of Helsingborg, with more than 370 apartments. Completion is scheduled for the beginning of the second quarter of 2016. The Group has also acquired Jefast City Fastigheter i Höganäs AB, which has a smaller property portfolio in Höganäs, and during the second quarter Fastigheten Belgien Norra KB was acquired. Fastigheten Belgien Norra KB owns a property that is close to the project "Söderpunkten".

Sales

No sales have been made.

Investments in existing properties and ongoing projects

Kv Holland 25 "Söderpunkten"

In 2015, the work with project Söderpunkten progressed, and in the fourth quarter when the investment decision was taken occupancy rate was over 80%. Jefast uses TAM Retail to develop the market place and complete the rental.

Söderpunkten will attract visitors through its wide range with for example SF Bio Filmstaden, Hemköp and New York Legends sports bar. In addition to this attractive meeting places created through the creation of cafes and restaurants the range will be supplemented by consumer discretionary and a wide selection of basic commodities in the clothing and leisure. In the town center, we will create a natural meeting place, trade destination and passage for those who live and work nearby the southern parts of Helsingborg, which shall be open most of the day.

Building permits have been obtained and planning of framework documents that form the basis for the construction has been developed. Söderpunkten is expected to be ready to open in late 2017. Detailed Modification of the property has begun on an extension of a home, with about 80 apartments, 18 floors. In the summer of 2016 the zoning is calculated to gain legal force and when the high-rise is completed this will be a hallmark for Söderpunkten in Helsingborg. In 2018, Söderpunkten will be fully developed.

As a result of the Söderpunkten project revenues have fallen sharply since the mall is largely vacant. In connection with the project there have also been exit costs, and the company has still had ongoing running costs.

Kv Lerberget 49:710

In the fourth quarter 2015 Jefast concluded a 15-year agreement with Höganäs Municipality regarding Kv Lerberget. A renovation for the new tenant for about 20 million will begin in 2016 and therefore the property has been empty during most part of 2015. Due to this agreement the property becomes a community property and will be fully leased. Access is at the end of the second quarter in 2016.

Kv Höganäs 34:69

In the fourth quarter a project to convert the former retail space to apartments in Höganäs started. During the second quarter of 2016 the group will have three very attractive apartments available and due to the high demand for apartments in Höganäs, we welcome this decision.

Kv Vattumannen 13, Jupiter 11 & Thor 8

During the second and third quarter, Jefast started a project with window replacements on three properties in Höganäs. This is one of our steps to keep enhancing our properties through both more energy efficient windows as well as part of the continuous maintenance.

Other events in 2015

Hotel Paletten, Ängelholm

The hotel business in Best Western Hotel Paletten in Ängelholm closed down on April 30, 2015. In connection with this termination the group had added costs.

Corporate Bond

During the first quarter of 2015 Jefast decided to investigate the possibility of issuing a corporate bond. It was decided during the third quarter of 2015 to begin the process with Danske Bank, and the process was completed in the fourth quarter of 2015.

In December 2015 Jefast Holding AB issued a secured corporate bond. The frame is 500 million and a first lift of SEK 200 million was carried out in the fourth quarter. The bond has a maturity of over 36 months and an interest rate of 650 basis points above Stibor 90 with zero bases. The bond is intended to be listed on the Nasdaq Small Cap OMX Stockholm during the autumn in 2016.

As a result of the long process with the bond the Group has had large non-recurring costs such as commissions, legal fees and increased audit costs. In accordance with the Terms & Conditions in the bond agreement Jefast Holding AB will transition to reporting under IFRS. Conversion work will commence during the third quarter in 2016.

Jefast USA

Pelican Grand Beach Hotel, Ft Lauderdale, Florida in USA

The hotel in Florida, Pelican Grand Beach, underwent an extensive refurbishment and extension during 2014 as well as 2015. The total investment amounted to 51.6 million ($6.2 million) and included the extension of the two conference rooms (up to 100 people in each room), associated terraces, a addition of a penthouse and bridal suite and a spa construction. Although the Pelican Grand underwent this large conversion the sales increased during 2015. Due to the project some rooms could not be leased, social- and conference arrangements could not be booked, so the hotel could therefore not achieve optimal sales and profit for the financial year of 2015.

The Group sees great potential for the forthcoming years; in 2015 the hotel increased the occupancy rate and the average price per room despite the renovation.

In the hotel there is a Condominium Association, of which Jefast owns more than 87%. In 2015 Jefast acquired 19 condos for 45.8 million ($ 5.5 million).

Expected future prospects

The Group's long-term goal is to grow in the Swedish market, by acquiring and developing properties essentially in Höganäs, Helsingborg and other places nearby. The plan is to expand the property portfolio by 800 million by the end of 2018 and another 200 million by the end of 2020, which would mean a property portfolio amounting to approximately 2 800 million in 2020. Furthermore, upgrading of housing and larger commercial properties will occur to accommodate what market demands.

A long-term goal is that the group as a whole shall be composed of 70% residential and 30% commercial real estate. This is what Jefast believes is an optimal mix in terms of risk allocation and management, housing is estimated to have great potential in the coming decade.

With the current projects in Kv Lerberget 49: 710, Kv Höganäs 34:69, 25 Kv Holländaren 25 and new property acquisitions in 2016 Jefast anticipates 2016 to be an eventful year. Jefast estimates that the projects in Kv Lerberget 49: 710 and Kv Höganäs 34:69 will be completed during 2016. Furthermore, the organization will continue to work with efficiency improvements in both the Sweden and US operations.

Significant risks and uncertainties

Interest rate risk

The Group's single largest cost is interest. The Group has long-term credit lines with fixed terms and fixed interest rates through interest rate swap agreements. Approximately 29.3% of the loan portfolio in Jefast Group is hedged by interest rate swaps (maturing in 2017). In addition, loans of about 200 million are signed with a fixed interest rate (maturity 2017). Loan to value ratio (LTV) for the Group is 62%.

Currency risk

The Group has no currency hedging of the US dollar; it is not considered necessary since loans, revenues and expenses are in USD.

Use of financial instruments

Jefast Group applies hedge accounting in accordance with BFNAR 2012: 1 Chapter 11, section 39 and section 40. Hedging instruments consist of interest rate swaps.

Ownership

The company is owned to 92.5% by Bo Jertshagen and 7.5% of Induere AB, corporate id no 556767-3941, which in turn is fully owned by Bo Jertshagen.

Multi-year overview (tkr)				
The Group	**2015**	**2014**	**2013**	**2012**
Net turnover	229 412	190 458	179 727	175 046
Gross earnings	130 453	114 389	104 340	123 980
Profit/loss after financial items	87 675	107 086	-23 530	-7 839
Balance sheet total	2 211 791	1 713 019	1 237 006	1 208 019
Equity/assets ratio (%)	27,7	32,5	21	24
Number of employees	15	21	22	23
The parent company	**2015**	**2014**	**2013**	**2012**
Profit/loss after financial items	-1 552	24 999	-1	-1
Balance sheet total	217 386	37 586	25 702	30 540
Equity/assets ratio (%)	12	68	21	18

For definitions of key ratios, see Accounting and Valuation Principles. Comparative figures for years 2013 and 2012 for the group have not been restated in accordance with IFRS. Comparative figures for years 2013 and 2012 for the parent company have not been restated in accordance with RFR 2.

Proposals for profit allocation	
The Board of Directors recommends that the profit/loss and brought forward profits available for disposition (SEK):	
Profit carried forward	25 334 686
Profit for the year	1 360
	25 336 046
be distributed so they are:	
carried over	25 336 046

Consolidated Income Statement

SEK '000	Note	2015	2014
Revenue	4,5	229 412	190 458
Operating expenses	4,7	-152 318	-113 365
Gross profit	**4**	**77 094**	**77 093**
Administrative expenses	6,7,8,9	-31 760	-29 437
Profit on disposal of owner-occupier property		0	5 131
Changes in fair value of investment property	13	72 101	87 824
Other operating income		533	0
Other operating expenses		-394	-208
Operating profit/(loss)		**117 575**	**140 403**
Finance income	10	1 722	2 205
Finance expenses	10	-41 725	-39 365
Change in fair value of derivatives	22	2 219	-812
Profit before tax		**79 790**	**102 431**
Tax	11	-21 438	-20 183
Profit for the year		**58 352**	**82 248**
Profits attributable to:			
Equity owners of the company		58 352	82 248

Consolidated Statement of other Comprehensive Income

SEK '000	Note	2015	2014
Profit for the year		**58 352**	**82 248**
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		7 082	17 397
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**7 082**	**17 397**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Change in value of owner-occupied property		-8 761	148 517
Tax	11	1 927	-32 674
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**-6 834**	**115 843**
Total comprehensive income for the year net of tax		**58 600**	**215 488**
Total comprehensive income attributable to:			
Equity owners of the parent		58 600	215 488
Per-share data			
Profit for the year in SEK'000 (there are no dilutive effects)		12	82

Consolidated Statement of Financial Position

SEK '000	Note	31 December 2015	31 December 2014	1 January 2014
Assets				
Non-current assets				
Intangible assets	12	232	477	614
Investment property	13	1 300 133	1 148 837	1 018 989
Investment property under construction	14	67 978	55 499	48 315
Owner-occupied property	15	551 006	453 367	276 928
Owner-occupied property under construction	16	128	18 495	1 644
Other property, plant and equipment	17	37 872	27 248	22 075
Receivables	18,22	1 548	1 385	1 115
Total non-current assets		**1 958 897**	**1 705 308**	**1 369 680**
Current assets				
Inventory		1 360	1 296	1 103
Rent and other receivables	18,22	20 067	8 121	12 309
Prepaid expenses and accrued income	19,22	20 920	14 834	9 373
Cash and cash equivalents	20,22	203 209	31 156	18 584
Total current assets		**245 556**	**55 407**	**41 369**
Total assets		**2 204 453**	**1 760 715**	**1 411 049**
Equity and liabilities				
Share capital		100	100	100
Foreign currency translation reserve		24 479	17 397	0
Revaluation reserve		149 978	158 959	43 699
Retained earnings including net income		444 337	383 837	306 016
Equity attributable to the shareholders of the parent		**618 894**	**560 293**	**349 815**
Total equity	21	**618 894**	**560 293**	**349 815**

Non-current liabilities				
Interest bearing loans and borrowings	22	1 074 527	890 502	753 270
Bond loans	22	182 000	0	0
Deferred tax liability	11	211 627	182 654	130 393
Derivative financial instruments	22	4 475	6 693	5 881
Other liabilities	22	54 278	60 444	56 766
Total non-current liabilities		**1 526 907**	**1 140 293**	**946 310**
Current liabilities				
Interest bearing loans and borrowings	22	14 272	12 219	16 436
Trade and other payables	22,23	15 643	19 218	16 276
Income tax payable		2 820	2 441	9
Other liabilities	22,23	9 018	10 172	66 142
Accrued expenses and prepaid income	22,24	16 899	16 079	16 061
Total current liabilities		**58 652**	**60 129**	**114 924**
Total liabilities		**1 585 559**	**1 200 422**	**1 061 234**
Total equity and liabilities		**2 204 453**	**1 760 715**	**1 411 049**

Consolidated Statement of Changes in Shareholders Equity

2015 SEK '000	Not	Share capital	Foreign Currency translation reserve	Revaluation reserve	Retained Earnings	Total Equity
Equity at 1 January 2014	**21**	**100**	**0**	**43 699**	**306 016**	**349 815**
Profit/loss for the year					82 248	82 248
Other comprehensive income			17 397	115 843		133 240
Total comprehensive income for the year		0	17 397	115 843	82 248	215 488
Effect of depreciation on the revaluation reserve				-583	583	0
Transactions with owners:						
Paid dividends					-5 010	-5 010
Equity at 31 December 2014		**100**	**17 397**	**158 959**	**383 837**	**560 293**
Profit/loss for the year					58 352	58 352
Other comprehensive income			7 083	-6 834		249
Total comprehensive income for the year		0	7 083	-6 834	58 352	58 601
Effect of depreciation on the revaluation reserve				-2 148	2 148	0
Transactions with owners:						
Paid dividends						0
Equity at 31 December 2015		**100**	**24 479**	**149 978**	**444 337**	**618 894**

The Board of Directors proposed a dividend for 2013 of SEK 5010 per share.

Consolidated Cashflow Statement

SEK '000	Note	2015	2014
Operating activities			
Profit or loss before tax	27	79 790	102 431
Adjustments to reconcile profit before tax to net cash flows:			
Changes in value from investment property		-72 101	-87 824
Gain/loss on disposal of property, plant and equipment		106	-4 923
Depreciations		10 459	6 386
Exchange gains		-1 689	-2 161
Change in fair value of derivatives		-2 219	812
Tax		-567	1 846
		13 780	**16 567**
Working capital adjustments:			
Change in operating receivables		-18 033	2 574
Change in inventory		-63	16
Change in operating liabilities		-1 857	-61 627
Net cash flow from operating activities		**-6 173**	**-42 470**
Investment activities			
Purchase of subsidiaries	28	-11 726	0
Purchase of investment property		-62 976	-42 737
Expenditure on investment property under construction		-67 366	-1 637
Purchase of owner-occupied property		-2 307	-2 929
Expenditure on owner-occupied property under construction		-87 922	-21 733
Purchase of property, plant and equipment		-479	-518
Proceeds from disposal of investment property		450	17 400
Changes in long term receivables		-163	-41
Net cash flow from investing activities		**-232 489**	**-52 195**
Financing activities			
Proceeds from borrowings		421 445	123 120
Amortization of borrowings		-11 940	-13 703
Dividends paid to equity holders of the parent		0	-5 010
Net cash from financing activities		**409 505**	**104 407**
Net increase in cash and cash equivalents		170 843	9 742
Cash and cash equivalents at the beginning of the year		31 156	18 584
Translation adjustments of cash and cash equivalents		1 210	2 830
Cash and cash equivalents at 31 December	**20**	**203 209**	**31 156**

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1. Accounting Policies

Basis of preparation

The consolidated financial statements of Jefast Holding AB and its subsidiaries (collectively, the Group) are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. These consolidated financial statements, for the year ended 31 December 2015, are the first the Group has prepared in accordance with IFRS. For all periods up to and including the year ended 31 December 2014, the Group prepared its financial statements in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (K3) ("Local GAAP"). Information on how the Group has adopted IFRS are presented in note 30 to the financial statements.

Furthermore, the recommendation RFR 1 Supplementary accounting rules for corporate groups issued by the Swedish Financial Reporting Board have been applied.

The Parent Company applies the same accounting policies as the Group except in cases listed below in the section for Accounting polices for parent. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 "Accounting for legal entities". Exceptions and additions are caused by legal provisions or by connection between accounting and taxation in Sweden.

These consolidated financial statements are expressed in SEK, as this is Jefast Holding's functional and presentation currency. All values are rounded to the nearest thousand SEK '000 where indicated.

Basis of consolidation

Subsidiaries are those enterprises, which are controlled by Jefast Holding. Control exists when the Group is exposed to or has rights to variable return from its involvement in the enterprise, and has the ability to affect those returns through its power over the enterprise. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

These consolidated financial statements include the accounts of Jefast Holding and its subsidiary companies, which are presented in note 7 for the Parent company.

The financial statements for the subsidiaries are prepared for the same accounting period as Jefast Holding using consistent accounting policies. On consolidation, intragroup balances and intragroup transactions are eliminated in full.

Non-controlling interests

The share of non-controlling interests of profit or loss for the year and equity in subsidiaries that are not wholly-owned is included as part of the Group's profit or loss and equity respectively, but are disclosed separately. Gains or losses on disposals to non-controlling interests are recognized directly in equity.

Foreign currency translation, Transactions and balances

Foreign currency transactions are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.
Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the income statement when the right to receive them arises.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are recognized in the Income Statement under financial items. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Group companies

The assets and liabilities of foreign operations are translated into SEK at the rate of exchange prevailing at the reporting date and their Income Statements are translated at exchange rates prevailing at the dates of their transactions. The currency differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the Consolidated Income Statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated based on the exchange rate at the reporting date.

Business combinations and asset purchases

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.).

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

Investment property

Investment property is held to earn rentals or for capital appreciation or both.

Investment property is initially measured at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the line "Changes in fair value of investment property" in the period in which they arise.

Investment property under construction

Investment property under construction is measured at cost until the construction is completed.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

A property is regarded as sold when the significant risks and rewards of ownership of the real estate have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

Financial assets

Rent and other receivables are recognized at their original invoiced value except where the time value of money is material, in which case receivables are recognized at fair value and subsequently measured at amortized cost. Cash and cash equivalents in the balance sheet comprise cash at bank.

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor, it has pricing latitude and is also exposed to inventory and credit risks.

Rental income

The Group is the lessor in operating leases (all contracts). Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statement due to its operating nature, except for contingent rental income which is recognized when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognized as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Service charges, property management charges and other expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognized in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in revenue gross of the related costs, as the directors consider that the Group acts as principal in this respect.

Property, plant and equipment

Property, plant and equipment, except of land and buildings (owner-occupied property), are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The assets are depreciated over the estimated useful lives, see below. If an item of property, plant and equipment comprises components with different useful lives, each such significant components is depreciated separately.

The Group has elected to use the revaluation method for land and buildings. Land and buildings are measured at fair value at the date of the valuation, less accumulated depreciation on buildings. Valuations are performed each year to ensure that the fair value of a revalued assets does not differ materially from its carrying amount. Changes in fair value are recognized in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in the statement of profit or loss, the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original
cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	3-100 years
Land Improvements	20 years
Equipment, tools and installations	5-30 years

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realization of an investment property measured at fair value a rebuttable presumption exists that its carrying amount will be recovered through sale.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Leases

The determination of whether an arrangement is a lease is based on the substance of the arrangement at inception of the lease. The arrangement is a lease if fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Operating lease is a lease other than a finance lease. operating lease payments are recognized as an operating expense in the income statement on a straight-line basis over the lease term.

Derivative financial instruments

The Group uses interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognized at fair value on the date on which the contract is entered into, and subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Gains and losses are recognize immediately in the income statement as change in value of derivatives.

Fair value measurement

The Group measures derivatives and investment properties at fair value each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
The techniques used to determine fair value of property are described in detail in Note 2 and Note 13 while financial instruments valuation is described in Note 23.

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds initially received and the nominal value is recognized in the income statement under financial expenses over the term of the loan.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized as from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed.

The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

Interest income

Interest income is recognized as it accrues using the effective rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the income statement.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted market prices in active markets for identical assets and liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting date.

2. Significant accounting judgements and assumptions

Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial risk management

Classification of properties

The Group determines whether a property is classified as investment property or owner-occupied property:

- Investment property comprises land and buildings (principally offices, residential, commercial and retail property) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

- Owner-occupied property is property that generates cash flows that are attributable not only to the property, but also to other assets used in the supply process.

Valuation of investment property

The fair value of investment property is determined by real estate valuation experts using recognized valuation techniques and the principles of IFRS 13 Fair Value Measurement. It is management's assessment that the Group does not have inventory property. The hotel in the US is classified as owner-occupied property.

Investment property under construction is measured at cost including any transaction cost.

Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognized in the statement of profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognized in OCI. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2015 and 31 December 2014. For investment properties, a valuation methodology based on a DCF model was used as there is a lack of comparable market data because of the nature of the properties. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

3. Standards issued not yet effective

Standards issued not yet effective

The standards and interpretation that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable when they become effective.

IFRS 9 Financial Instruments

This standard addresses the classification, measurement, recognition, impairment and derecognition of financial instruments. It also addresses general hedge accounting. The mandatory effective date is January 1, 2018, with early application allowed. The standard has not yet been adopted by EU. The company has not yet performed any evaluation of the effects of such a change.

IFRS 15 Revenue from Contracts with Customers

The standard establishes a new framework for revenue recognition. The standard introduces a five-step model to be applied to all contracts with customers in order to establish when and how to recognize revenue. The mandatory effective date is January 1, 2018, with early application allowed. The Group has not yet assessed the full impact of IFRS 15.

IFRS 16 Leases

The standard is a major revision of how to account for leases and requires all leases to be reported on the balance sheet. Thus, the application of IFRS 16 will lead to operational leases being recognized in the balance sheet. The mandatory effective date is January 1, 2019, with early application allowed if IFRS 15 Revenue from Contracts is also applied.

Amendments to IFRS 11
Accounting for acquisitions of interests in joint operations clarifies that the principles and disclosure requirements in IFRS 3 Business Combinations are also applicable to an acquired share in a joint operation. Jefast will have to apply the amendment to any acquisitions of shares in joint operations on or after January 1, 2016, at the latest.

Amendments to IFRS 10 and IAS 28
Sale or contribution of assets between an investor and its associate or joint venture address an acknowledged inconsistency between an investor and its associate or joint venture. According to the amendments a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss (only to the extent of the unrelated investors' interests in that associate or joint venture) is recognized when the transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The effective date of these amendments has been postponed indefinitely.

Amendments to IAS 16 and IAS 38
Clarify that it is not permitted to base depreciation of property and, except in exceptional cases, intangible assets on expected revenues. Instead, the depreciation is based on some form of consumption. The changes, which will apply from January 1, 2016, is not expected to affect the company's financial statements.

4. Operating Segments

The Group's operations are divided into operating segments based on which parts of the business as the Group's management team follows up, known as business management perspective. The Group's activities are organized so that Group management monitors the earnings as the various segments generates. Assets and liabilities are not followed up from a segment perspective, the Group management chooses to analyze assets and liabilities at the Group level.

In cases where there is sales between the various segments the price is set based on the "arm's length"-principle. That is, the parties are independent of each other, well informed and with an interest in the transactions.

The following operating segments have been identified:
- Investment properties
- Hotel business

The Group's operating segments are divided into the following geographical areas; Sweden and the United States. The geographic areas consistent with the operating segments, investment property is entirely located in Sweden while the Hotel business conducted solely in the United States.

The Group has no single tenant that accounts for more than 10 percent of total revenue.

Year ended 31 December 2015	Investment properties		Hotel business	Total Segments	Adjustments and eliminations	Consolidated
Revenue	**90 293**		**147 005**	**237 298**	**-7 886**	**229 412**
Property expenses	-27 320		-1 785	-29 105	1 615	-27 490
Raw materials and consumables	-2 959		-68 510	-71 469	0	-71 469
Depreciation of owner-occupied property		0	-7 885	-7 885	0	-7 885
Salaries		0	-45 474	-45 474	0	-45 474
Gross profit	**60 014**		**23 351**	**83 365**	**-6 271**	**77 094**
Operating profit/(loss)	**109 666**	**109 666**	**7 909**	**117 575**	**0**	**117 575**
Net financial	**-18 611**	**-18 611**	**-19 173**	**-37 784**	**0**	**-37 784**
Income tax expense						**-21 438**
Profit for the year						**58 352**

Year ended 31 December 2014	Investment properties		Hotel business	Total Segments	Adjustments and eliminations	Consolidated
Revenue	88 522		107 505	196 027	-5 569	190 458
Property expenses	-27 877		-798	-28 675	913	-27 762
Cost of sales	-2 791		-45 517	-48 308	0	-48 308
Depreciation of owner-occupied property		0	-4 656	-4 656	0	-4 656
Salaries		0	-32 639	-32 639	0	-32 639
Gross profit	**57 854**		**23 895**	**81 749**	**-4 656**	**77 093**
Operating profit/(loss)	**129 391**		**11 012**	**140 403**	**0**	**140 403**
Net financial	**-22 949**		**-15 023**	**-37 972**	**0**	**-37 972**
Income tax expense						**-20 183**
Profit for the year						**82 248**

5. Revenue

Revenue SEK '000	2015	2014
Rental income	76 158	76 685
Hotel revenues	147 005	107 505
Other income	6 249	6 268
Total revenue	**229 412**	**190 458**

6. Operating leases

Group as lessor

The Group has entered into leases on its property portfolio. The commercial property leases typically have lease terms between years 2016 and 2021 and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

SEK '000	2015	2014
Within 1 year	38 597	31 637
After 1 year, but not more than 5 years	56 905	57 113
More than 5 years	1 564	6 275
Total minimum lease receivables under non-cancellable operating leases	**97 066**	**95 025**

Group as lessee

The Groups operating leases primarily refers to leases of premises. The future amount of minimum lease payment obligations are distributed as follows:

SEK '000	2015	2014
Within 1 year	580	578
After 1 year, but not more than 5 years	685	800
More than 5 years	0	0
Total minimum lease payments under non-cancellable operating leases	**1 265**	**1 378**

This year's lease payments amounted to 1 210 TSEK (1 185 TSEK).

7. Operating-, and Administrative Expenses

SEK '000	2015	2014
Operating expenses		
Repair and maintenance	9 869	7 761
Heating	7 236	7 365
Other expenses	6 578	8 246
Property tax	3 807	4 390
Raw materials and consumables	71 469	48 308
Depreciation of owner-occupied property	7 885	4 656
Salaries	45 474	32 639
Total Operating expenses	**152 318**	**113 365**
Administrative expenses		
Personnel costs	9 141	10 300
Depreciation charge for the year	2 574	1 730
Other	20 045	17 407
Total administrative expenses	**31 760**	**29 437**
Total Operating-, and Administrative expenses	**184 077**	**142 802**

Raw materials and consumables is mainly attributable to the hotel business in the United States. The increase is explained by the hotel business again at full capacity after an extensive renovation. Hotel operator Noble House has during the year had 223 (154) employees for the operation of Jefast´s hotel operations in the US. The employees are legally employed by Noble house and are therefore not included in footnote 8 Employees. Other administrative expenses consist primarily of bank expenses, consulting expenses and rental costs.

8. Employees

Number of employees	2015	2014
Women	7	12
Men	8	9
Total	**15**	**21**

Salaries and remunerations SEK '000	2015	2014
Key management personnel and Directors		
Salaries and remunerations	550	1 124
Social security costs	223	202
Pension costs	236	322
Total remuneration	**1 009**	**1 648**
Other employees		
Salaries and remunerations	5 642	6 358
Social security costs	2 517	2 718
Pension costs	404	239
Total remuneration	**8 563**	**9 315**

Gender distribution amongst key management personnel	2015	2014
Proportion of women on the board of directors	33 %	0 %
Proportion of men on the board of directors	67 %	100 %
Proportion of women amongst key management personnel	25 %	25 %
Proportion of men amongst key management personnel	75 %	75 %

The CEO has a notice period of 4.5 months, and two months´ severance pay. The Group does not pay any compensation to the board of directors.
The hotel business in Best Western Hotel Paletten in Ängelholm closed down on April 30, 2015 and therefore the number of employees and personnel costs decreased compared to the previous year.

9. Fees paid to Auditors Appointed at the Annual General Meeting

Fees to auditors

Ernst & Young AB

SEK '000	2015	2014
Audit Service	723	668
Other services	460	191
Tax advice services	132	95
Other non-audit services	0	0
Total	**1 315**	**954**

Sharff, Wittmer, Kurtz, Jackson & Diaz P.A.

SEK '000	2015	2014
Audit Service	539	476
Other services	70	49
Tax advice services	240	0
Other non-audit services	0	0
Total	**849**	**525**

10. Financial Income and Expenses

SEK '000	2015	2014
Financial income		
Interest income	33	44
Foreign exchange adjustments	1 689	2 161
Total financial income	**1 722**	**2 205**

SEK '000	2015	2014
Financial expenses		
Interest expenses	41 725	39 366
Total financial expenses	**41 725**	**39 366**

11. Tax

The major components of income tax expense for the year ended 31 December 2015 and 2014 are:

Income statement		
SEK '000	2015	2014
Current income tax:		
Current income tax charge	-947	-588
Deferred tax:		
Relating to origination or reversal of temporary differences	-20 491	-19 595
Income tax expense reported in the income statement	**-21 438**	**-20 183**

Statement of OCI		
Deferred tax related to items recognized in OCI during the year:		
Deferred income tax on fair value changes of owner occupied property	1 927	-32 674
Tax of continuing activities	**1 927**	**-32 674**

Reconciliation of the effective tax rate for the year				
		2015		2014
SEK '000	%	SEK '000	%	SEK '000
Profit before tax		**79 790**		**102 431**
Nominal weighted tax rate for the group	22 %	-17 554	22 %	-22 535
Non-taxable income		176		2 564
Non-deductable expenses		-65		-32
Other		-3 995		-180
Effective tax rate for the year	**26,9 %**	**-21 438**	**19,7 %**	**-20 183**

"Other" includes adjustments for deferred tax on loss carry-forwards in Sweden which has not been recorded. The tax loss carry-forwards in the Group amount to 171 163 tkr (135 165 tkr). The deficits include both the Swedish and American operations. This represents deferred tax of 52 753 tkr (44 406 tkr). Deferred tax assets are recognized if the deficit is expected to be used in the foreseeable future.

Deferred tax Reconciliation of deferred tax liabilities/(assets) SEK '000	2015	2014
Deferred tax liabilities/(assets) at 1 January	**182 654**	**130 394**
Addition regarding acquisitions	10 408	0
Tax on other comprehensive income	-1 927	32 674
Temporary differences in the Group's properties	22 806	21 901
Tax loss carry-forwards	-2 801	-2 137
Derivative	488	-178
Deferred tax liabilities/(assets) at 31 December	**211 627**	**182 654**

Deferred tax specification	Deferred tax asset		Deferred tax liability	
SEK '000	2015	2014	2015	2014
Completed investment property	0	0	160 065	127 929
Other non-current assets	0	0	58 900	59 751
Non-current liabilities	984	1 472	0	0
Tax loss carry-forwards	6 355	3 554	0	0
Deferred tax	**7 339**	**5 026**	**218 965**	**187 680**

12. Intangible Assets

Cost SEK '000	2015	2014
At 1 January	932	777
Exchange differences	65	155
At 31 December	**997**	**932**

Depreciation and impairment SEK '000	2015	2014
At 1 January	-455	-163
Depreciation	-282	-228
Exchange differences	-28	-64
At 31 December	**-765**	**-455**
Net book value 31 December	**232**	**477**

13. Investment Property

SEK '000	2015	2014
At 1 January as per Swedish GAAP	-	947 736
IFRS remeasurement	-	71 253
IFRS as at 1 January	**1 148 837**	**1 018 989**
Acquisitions arising from business combinations	74 096	0
Other acquisition of property	0	42 737
Capital expenditure on owned property	606	0
Transfer from investment property under construction	1 488	336
Disposals	-470	-2 620
Exchange differences	3 475	1 572
Remeasurement adjustment	72 101	87 823
Total completed investment property 31 December	**1 300 133**	**1 148 837**

31 December 2015	Level 1	Level 2	Level 3	Total
	SEK '000	SEK '000	SEK '000	SEK '000
Investment properties	0	0	1 300 133	1 300 133

31 December 2014	Level 1	Level 2	Level 3	Total
	SEK '000	SEK '000	SEK '000	SEK '000
Investment properties	0	0	1 148 837	1 148 837

38 (39) precent of total investment property is classified as residential and 62 (61) precent as commercial.

The values of the investments properties have been estimated using a market adapted cash flow model in which future estimated revenue and cost (five years or longer) are simulated to analyze the market expectations on the valuation object. The yield used in the model is derived from sales of similar properties. Variables that have a large impact in deciding the yield requirement are the assessment of the objects future rent development, change in value and potential added value as well as the condition of the property. Important value parameters are location, rent level and vacancy rates. The valuation is based on current earnings capacity. A cash flow, stretching at least five years, is estimated for each investment property. For the revenue part, current rent contracts are used. For vacancy rates an estimate is done on an individual level for each property. The assumptions about inflation are one per cent for 2015 and two per cent for years thereafter. The revenues are assumed to follow the inflation rate. The assessment of cost are based on annual historical data. As a foundation for the evaluation are an estimate of present value of cash flow and the present value at the end of the calculation period. The Group has used external valuations.

Sensitivity analysis

When estimating the market value there are always some uncertainty involved due to the assumptions used in the valuation model. To demonstrate of the effects of changed assumptions a table is presented below. The yield value only relates to investment properties that were accessed at the end of the accounting period.

Sensitivity Analysis				
Investment properties	Assumed change, %		Change in value (Mkr)	
(Mkr)	2015	2014	2015	2014
Market rent level	5	5	80	76
Market rent level	-5	-5	-80	-76
Operation and maintenance cost	5	5	28	27
Operation and maintenance cost	-5	-5	-28	-27
Yield	0,5	0,5	-113	-106
Yield	-0,5	-0,5	113	106

14. Investment Property under Construction

SEK '000	2015	2014
At 1 January as per Swedish GAAP	-	3 194
IFRS remeasurement	-	45 122
IFRS as at 1 January	55 499	48 316
Capital expenditure on owned property	12 068	1 637
Interest capitalized	2 576	5 957
Transfer to complete investment property	-1 488	-336
Impairment	-677	-75
At 31 December	**67 978**	**55 499**

Investment properties under construction is valued at cost. The increase during 2015 refers primarily to project Kv. Holland. Kv Holland is expected to be ready in late 2017.

15. Owner-occupied Property

Cost or valuation SEK '000	2015	2014
At 1 January as per Swedish GAAP	-	220 903
IFRS remeasurement	-	56 024
IFRS as at 1 January	**453 365**	**276 927**
Additions	2 307	2 929
Reclassifications	95 438	0
Disposals	0	-11 797
Revaluations	-8 761	148 517
Transfer*	-9 005	-7 312
Exchange differences	17 662	44 101
At 31 December	**551 006**	**453 365**

Depreciation and impairment SEK '000	2015	2014
At 1 January 2014	0	0
Depreciation charge for the year	7 885	4 656
Transfer*	-9 005	-7 312
Exchange differences	1 120	2 656
At 31 December	**0**	**0**

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount

31 December 2015	Level 1 SEK '000	Level 2 SEK '000	Level 3 SEK '000	Total SEK '000
Owner-occupied property	0	0	551 006	551 006

31 December 2014	Level 1 SEK '000	Level 2 SEK '000	Level 3 SEK '000	Total SEK '000
Owner-occupied property	0	0	453 365	453 365

The values of the owner-occupied properties have been estimated using a market adapted cash flow model in which future estimated revenue and cost (ten years or longer) are simulated to analyze the market expectations on the valuation object. The yield used in the model is derived from sales of similar properties. Variables that have a large impact in deciding the yield requirement are the assessment that the subject will be operated as a full service, chain-affiliated hotel with a supporting reservation system and will be operated by competent and experienced management familiar with the operation of full service hotels. The valuation is based on current earnings capacity. A cash flow, stretching at least ten years, is estimated for each owner-occupied property. For the revenue part, occupancy and room rate are used. For vacancy rates an estimate is done on an individual level for each property. The assumptions about inflation are three per cent. The revenues are assumed to follow the inflation rate. The assessment of cost are based on annual historical data. As a foundation for the evaluation are an estimate of present value of cash flow and the present value at the end of the calculation period. The Group has used external valuations.

16. Owner-occupied Property under Construction

SEK '000	2015	2014
At 1 January as per Swedish GAAP	-	0
IFRS remeasurement	-	1 644
IFRS as at 1 January	**18 495**	**1 644**
Additions	87 922	21 733
Reclassifications	-106 994	-5 212
Disposals	-574	0
Exchange differences	1 279	330
At 31 December	**128**	**18 495**

Owner-occupied property under construction is valued at cost.

17. Other Property, Plant and Equipment

Cost or valuation

Other property plant and equipment consists of equipment, tools and installations.

SEK '000	2015	2014
At 1 January as per Swedish GAAP	-	35 847
IFRS remeasurement	-	0
IFRS as at 1 January	**44 262**	**35 847**
Acquisitions	137	518
Acquisition of a subsidiary	343	0
Reclassifications	11 556	2 229
Disposals	-3 989	-417
Exchange differences	2 681	6 085
At 31 December	**54 990**	**44 262**

Depreciation and impairment

SEK '000	2015	2014
At 1 January	17 014	13 771
Depreciation charge for the year	2 293	1 500
Depreciation of a subsidiary	86	0
Disposals	-3 068	-186
Exchange differences	794	1 929
At 31 December	**17 118**	**17 014**

Net book value	**37 872**	**27 248**

18. Rent and Other Receivables

Rent and other receivable SEK '000	2015	2014
Receivables	8 060	5 970
Rent receivable	203	1 995
Deposit on future purchases	10 000	0
Other receivables	3 352	1 541
Total	**21 615**	**9 506**

Trade receivables not impaired have the following maturities SEK '000	2015	2014
Not due	18 943	6 269
Due 30 days or less	971	1 098
Due more than 30 days but less than 90 days	963	642
Due more than 90 days	738	1 497
Total	**21 615**	**9 506**

19. Prepaid Expenses and Accrued Income

SEK '000	2015	2014
Prepaid insurance	5 383	3 944
Accrued income	1 340	497
Other prepaid expenses	14 197	10 393
Total	**20 920**	**14 834**

20. Cash and Cash Equivalents

Cash and cash equivalents SEK '000	2015	2014
Cash at bank and on hand	203 209	31 156
Cash and cash equivalents as at 31 December	**203 209**	**31 156**

Overdraft facilities amount to 0 tkr (1 000 tkr).

21. Equity

Share capital				
	2015		2014	
	Nominal value (SEK'000)	Number of shares (in thousands)	Nominal value (SEK'000)	Number of shares (in thousands)
Share capital at 1 January (issued and fully paid)	100	5	100	1
Issued for cash				
Share capital at 31 December	**100**	**5**	**100**	**1**

In May 2015, Jefast Holding AB has made a split in shares resulting in 4 000 new shares.

22. Financial Instruments and Financial Risk Management

Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and other liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

Market risk Fall in economy and uncertainty in the international financial market has a negative impact on the global economy. The turbulence on the market and changes in the global economy could affect Jefast's tenants and their ability to pay their rent. Deterioration of the global economy or decrease of the demand of properties might have a negative impact on Jefast's business, financial balance and result. There is a housing deficit in all municipalities where Jefast operate. The ten largest local tenants account for 15% of the rental income.

Currency risk

The Group is exposed to the risk of changes in foreign exchange rates relates primarily to the net investments in subsidiaries in the US. The Group does not hedge this risk because the impact on Jefast's business, financial balance and result is immaterial.

Interest risk

The Group's largest expense item is interest and the development of the interest market has had a negative impact on Jefast's business, and result. The Group has long term credit lines with fixed terms and fixed interest rates through swap agreements. Approximately 29% of the loan portfolio in Jefast is hedged by interest rate swaps (maturing in 2017).

Credit risk

The credit risk is defined as the risk that Jefast's counter-party not can meet their financial obligation against Jefast. The financial situation for Jefast's tenants and other counter-parties can change and that will effect their ability to pay agreed obligations with Jefast. This will have a negative impact of Jefast's business, balance and result.

Refinancing risk

Jefast may be required to refinance some or all of its outstanding debt. Jefast ability to successfully refinance its debt is due to the conditions of banking market, capital market and its own financial position at this time. The risk of a future refinancing will not be at feasible or desirable conditions is always a risk, which might have negative impact of Jefast's business, balance or result. Jefast works continuously with refinancing and has today good relations with a number of Swedish financiers. The long term goal is to have pledge which is less than 70%.

The tables below displays the Group's financial assets and liabilities that are subject to financial risk management and a comparison of their carrying amounts and fair value:

	Carrying amount		Fair value	
	2015	2014	2015	2014
	SEK'000	SEK'000	SEK'000	SEK'000
Financial assets				
Loans and receivables				
Receivables	1 548	1 385	1 548	1 385
Rent and other receivables	20 067	8 121	20 067	8 121
Accrued income	1 340	497	1 340	497
Cash and cash equivalents	203 209	31 156	203 209	31 156
Total financial assets	**226 164**	**41 159**	**226 164**	**41 159**
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives	4 475	6 693	4 475	6 693
Financial liabilities at amortized cost				
Interest-bearing loans and borrowings	1 088 799	902 721	1 088 799	902 721
Bond loans	182 000	0	182 000	0
Trade and other payables	15 643	19 218	15 643	19 218
Other liabilities	63 297	70 616	63 297	70 616
Accrued expenses	12 177	9 982	12 177	9 982
Total financial liabilities	**1 366 391**	**1 009 230**	**1 366 391**	**1 009 230**

Fair value hierarchy

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as at 31 December 2015:

31 December 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	SEK'000	SEK'000	SEK'000	SEK'000
Financial liabilities at fair value through profit or loss				
Derivatives		4 475		

31 December 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	SEK'000	SEK'000	SEK'000	SEK'000
Financial liabilities at fair value through profit or loss		6 693		
Derivatives				

Management has assessed that the fair values of cash and cash equivalents, rent and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The Group uses interest-rate swaps to hedge the interest-rate risk related to interest bearing loans the Group is exposed to. The interest-rates swaps are recognized as derivatives and measured at fair value according to measurement at Level 2. Changes in the value of the derivatives are recognized in profit or loss. The value of interest-rate swap is recognized as the present value of the estimated flows during the position´s remaining term. The estimated flows are calculated by viewing the strike level and forward rates of 3-months Stibor and their volatility. The current interest-rate swap has a maturity date of 2017.

- Fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using a discount rate that reflects the issuer's borrowing rate including its own non-performance risk as at 31 December 2015.

SEK '000	Year 1	Year 2	Year 3-5	More than 5 years	Total
2015					
Interest-bearing loans and borrowings	67 994	122 122	362 235	951 955	1 504 306
Derivatives	7 173	1 447	0	0	8 620
Other liabilities	9 018	0	53 385	893	63 296
Trade payables and other financial liabilities	15 643	0	0	0	15 643
Total financial liabilities	**99 828**	**123 569**	**415 620**	**952 848**	**1 591 865**
2014					
Interest-bearing loans and borrowings	52 121	102 959	343 391	636 109	1 134 580
Derivatives	1 552	1 523	283	0	3 358
Other liabilities	64 542	0	6 457	1 265	72 264
Trade payables and other financial liabilities	19 218	0	0	0	19 218
Total financial liabilities	**137 433**	**104 482**	**350 131**	**637 374**	**1 229 420**

23. Trade and Other Payables

SEK '000	2015	2014
Account payable	15 643	19 218
Other liabilities	9 018	10 172
Total	**24 661**	**29 390**

Other liabilities mainly consist of VAT and social security contributions.

24. Accrued Expenses and Prepaid Income

SEK '000	2015	2014
Accrued personnel costs	4 370	3 845
Accrued interest	4 668	4 176
Prepaid revenues	4 722	6 097
Other accrued expenses and prepaid income	3 139	1 961
Total	**16 899**	**16 079**

25. Related Parties

Below are the entities that are considered related parties with the Group. The business transactions are based on regular market conditions and the following table provides the total amount of transactions that have been entered into with related parties.

Entity	Relation	Ownership
Bo Jertshagen	Majority owner	92,50 %
Induere AB (Bo Jertshagen)	Shareholder	7,50 %

Significant related party transactions and balances				
	Jefast Förvaltning		Induere	
0 SEK	2015	2014	2015	2014
Management services	386	356		
Liabilities to related parties	893	1 265	2 309	5 457

26. Contingencies and Commitments

SEK '000	2015	2014
Pledged collateral **For own liabilities and provisions**		
Company mortgages	1 000	1 000
Property mortgages	1 194 884	967 575
	1 195 884	**968 575**

Contingent liabilities	**None**	**None**

27. Interest and Dividends

SEK '000	2015	2014
Interest received	1 722	2 205
Interest paid	-41 311	-40 242
	-39 589	**-38 037**

28. Purchase of Subsidiaries

SEK '000	2015	2014
Cash paid, acquisition price	12 382	**0**
Cash and cash equivalents in the acquired subsidiary	-656	**0**
Effect of acquisition on consolidated cash and cash equivalents	**11 726**	**0**
Investment property	64 098	
Operating receivables	331	
Cash and cash equivalents	656	
Total acquired assets	**65 085**	
Deferred tax	69	
Current liabilities	52 634	
Total acquired liabilities	**52 703**	
Acquired net assets	**12 382**	
Acquisition price	**12 382**	

29. Events after the Balance Sheet Date

Acquisitions

The property "Flora" was acquired through Jefast City Fastigheter i Höganäs in February 2016 and is located in the center of Höganäs, with 7 apartments and 805 square meters of commercial area. This property fits very well in the Groups strategy.

In April 2016, a larger acquisition of Söderåsen Bostads AB was made and the group bought for the first time apartments in Åstorp. The Municipality of Åstorp is located 10 minutes drive from Helsingborg thus making it a popular place to live. The properties are all located in the same area and consists of 371 apartments with a total area of 27,191 square meters.

In May 2016, Fastigheten Belgien Norra 19 KB with a large property in the city center of Helsingborg was acquired from Wihlborgs. The property consist of 33 apartments and 6,237 square meters of commercial space. Some of the larger tenants are Capio Cityklinik, Tingsrätten and The Helsingborg Municipality. This property is located next to the Groups large commercial center, Holland 25.

Projects

During the beginning of 2016 the commercial spaces in Höganäs 34:69 were converted into three apartments. The move in date was June 15 2016 and the added rental income for this property is SEK 220,000 on a yearly basis.

The Municipality of Höganäs signed contract with the Group to rent 80 % of Lerberget 49:710. The Group entered into a fifteen year long lease agreement and has adjusted the premises to fit the new tenant. This was an investment of approximately SEK 20,000,000 and has increased the value of the property from SEK 33,000,000 to SEK 58,000,000 and an added yearly rental income of SEK 3,800,000. Thus making the property fully rented out.

The Group is continuing its large remodeling of Holland 25 and has signed with Skanska as the project manager. Phase one and two are scheduling to be finished late 2017 including the commercial spaces and the movie theatre, the third phase including the 18 story apartment building is scheduled to be finalised in 2018. Currently the economic rental rate amounts to 85%.

Other events

In the beginning of 2016 the Groups CFO resigned and a new CFO has now been recruited starting August 15 2016. The Groups new CFO, Maria Jonasson, has recently worked six years at Höganäs AB with reporting, specialised in IFRS, and has also worked for Ernst and Young for nine years prior to her current position.

In the second quarter of 2016 the general manager of the hotel in USA resigned. In the meantime, an interim general manager has been in effect and the recruiting process for a new general manager has been finalised. The new General Manager, Heidi Dennis, previously worked at the Atlantic Hotel and Spa, a four diamond boutique hotel located in Ft Lauderdale thus making her a great add to the team.

30. First Time Adoption

These financial statements, for the year ended 31 December 2015, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2014, the Group prepared its financial statements in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (k3) (Local GAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2015, together with the comparative period data for the year ended 31 December 2014, as described in the summary of significant accounting policies.

In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2014, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Local GAAP financial statements, including the statement of financial position as at 1 January 2014 and the financial statements for the year ended 31 December 2014.

Exemption applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Group has applied the following exemptions:

- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2014.

- The Group has applied the transitional provisions in IAS 23 Borrowing Costs and capitalises borrowing costs relating to all qualifying assets after the date of transition. Similarly, the Group has not restated for borrowing costs capitalised under Local GAAP on qualifying assets prior to the date of transition to IFRS.

Group reconciliation of equity as at 1 January 2014				
SEK '000	Notes	Swedish GAAP	Remeasure-ments	IFRS as at 1 January 2014
Assets				
Non-current assets				
Patents, licenses and similar intangible rights		614	0	614
Investment property	A	947 736	71 253	1 018 989
Investment property under construction	C	3 194	45 121	48 315
Owner-occupied property	B	220 903	56 025	276 928
Owner-occupied property under construction	C	0	1 644	1 644
Property, plant and equipment		22 075	0	22 075
Receivables (long-term)		1 115	0	1 115
Total non-current assets		**1 195 637**	**174 043**	**1 369 680**
Current assets				
Inventory		1 103	0	1 103
Rent and other receivables		12 309	0	12 309
Prepayments		9 373	0	9 373
Cash and cash equivalents		18 584	0	18 584
Total current assets		**41 369**	**0**	**41 369**
Total assets		**1 237 006**	**174 043**	**1 411 049**
Equity and liabilities				
Share capital		100	0	100
Revaluation reserve	B	0	43 699	43 699
Retained earnings	A	249 258	56 758	306 016
Equity attributable to the shareholders of the parent		**249 358**	**100 457**	**349 815**
Non-controlling interest (NCI)		5 767	-5 767	0
Total equity		**255 125**	**94 690**	**349 815**
Non-current liabilities				
Interest bearing loans and borrowings		753 270	0	753 270
Deferred tax liability	E	103 687	26 706	130 393
Derivative financial instruments	D	0	5 881	5 881
Other liabilities		10 000	46 766	56 766
Total non-current liabilities		**866 957**	**79 353**	**946 310**

Current liabilities			
Interest bearing loans and borrowings	16 436	0	16 436
Trade and other payables	16 276	0	16 276
Income tax payable	9	0	9
Other liabilities	66 142	0	66 142
Deferred revenue	16 061	0	16 061
Total current liabilities	**114 924**	**0**	**114 924**
Total liabilities	**981 881**	**79 353**	**1 061 234**
Total equity and liabilities	**1 237 006**	**174 043**	**1 411 049**

Group reconciliation of equity as at 31 December 2014

SEK '000	Notes	Swedish GAAP	Remeasure-ments	IFRS as at 31 December 2014
Assets				
Non-current assets				
Patents, licenses and similar intangible rights		477	0	477
Investment property	A	969 947	178 890	1 148 837
Investment property under construction	C	21 271	34 228	55 499
Owner-occupied property	B	249 573	203 794	453 367
Owner-occupied property under construction	C	0	18 495	18 495
Property, plant and equipment		27 248	0	27 248
Receivables (long-term)		1 385	0	1 385
Total non-current assets		**1 269 901**	**435 407**	**1 705 308**
Current assets				
Inventory		1 296	0	1 296
Rent and other receivables		8 121	0	8 121
Prepaid expenses and accrued income		14 834	0	14 834
Cash and cash equivalents		31 156	0	31 156
Total current assets		**55 407**	**0**	**55 407**
Total assets		**1 325 308**	**435 407**	**1 760 715**

Equity and liabilities				
Share capital		100	0	100
Foreign currency translation reserve	F	0	17 397	17 397
Revaluation reserve	B	0	158 959	158 959
Retained earnings	A	262 606	121 230	383 837
Equity attributable to the shareholders of the parent		**262 706**	**297 587**	**560 293**
Non-controlling interest (NCI)		3 425	-3 425	0
Total equity		**266 131**	**294 162**	**560 293**
Non-current liabilities				
Interest bearing loans and borrowings	G	890 782	-280	890 502
Deferred tax liability	E	100 824	81 830	182 654
Derivative financial instruments	D	0	6 693	6 693
Other liabilities		7 722	52 722	60 444
Total non-current liabilities		**999 328**	**140 965**	**1 140 293**
Current liabilities				
Interest bearing loans and borrowings	G	11 939	280	12 219
Trade and other payables		19 218	0	19 218
Income tax payable		2 441	0	2 441
Other liabilities		10 172	0	10 172
Deferred revenue		16 079	0	16 079
Total current liabilities		**59 849**	**280**	**60 129**
Total liabilities		**1 059 177**	**141 245**	**1 200 422**
Total equity and liabilities		**1 325 308**	**435 407**	**1 760 715**

Group reconciliation of total comprehensive income for the year ended 31 December 2014				
SEK '000	Notes	Swedish GAAP	Remeasure-ments	IFRS as per 2014
Revenue		190 458	0	190 458
Property expenses		-27 761	27 761	0
Cost of sales		-48 308	48 308	0
Operating expenses	A	0	-113 365	-113 365
Gross profit		**114 389**	**-37 296**	**77 093**
Administrative expenses	A	-60 345	30 908	-29 437
Profit on disposal of owner-occupier property		5 131	0	5 131
Changes in fair value of investment property	A	0	87 824	87 824
Other operating expenses		-208	0	-208
Depreciation/amortization of property, plant and equipment	A	-25 453	25 453	0
Operating profit/(loss)		**33 514**	**106 889**	**140 403**
Finance income		2 901	-696	2 205
Finance expenses		-40 061	696	-39 365
Change in value of derivatives		0	-812	-812
Profit before tax		**-3 646**	**106 077**	**102 431**
Income tax expense		2 264	-22 447	-20 183
Profit for the year		**-1 382**	**83 630**	**82 248**
Other comprehensive income				
Profit for the year		**-1 382**	**83 630**	**82 248**
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations		0	17 397	17 397
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**0**	**17 397**	**17 397**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Change in value of owner-occupied property		0	148 517	148 517
Income tax		0	-32 674	-32 674
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**0**	**115 843**	**115 843**
Total comprehensive income for the year net of tax		**-1 382**	**216 870**	**215 488**

Notes to the reconciliation of equity as at 1 January 2014 and 31 December 2014 and total comprehensive income for the year ended 31 December 2014

A) Measurement of investment property

At the transition to IFRS, the Group´s investment properties are measured to fair value. Fair value is determined according to the principles stated in note 1. At 1 January 2014 have 100% of the total fair value been valuated externally by Värderingsmännen J&P AB. At the date of transition the fair value amounted to 1 018 989 tkr with a deferred tax liability to 22 995 tkr based on a tax rate of 22%. As of 31 December 2014 amounted to 1 148 837 tkr and deferred tax to 73 966 tkr. The change in 2014 was recognized in the income statement.

B) Owner-occupied properties

At the transition to IFRS, the Group´s owner-properties are measured according to the revaluation method, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

C) Reclassification

At the transition to IFRS, the Group's asset under construction are reclassified to Investment property under construction and Property, plant and equipment.

D) Derivat

At the transition to IFRS, the Group's interest rate derivatives accounted for at fair value taking into account deferred tax. The value at the date of transition amounted to 5 881 tkr and the deferred tax claim for 1 293 tkr based on a tax rate of 22%. Per December 31, 2014 the fair value of 6 693 tkr and deferred tax claim to 1 472 tkr. The change in 2014 was recognized in the income statement.

E) Deferred tax

The various transitional adjustments lead to different temporary differences, which needs to be accounted for. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

F) Classification of the financial statement

Foreign currency translation attributable to foreign subsidiaries is according to IFRS accounted for separately from retained earnings. According to IFRS, there is no split in equity between free and restricted reserves. Non-controlling interest was according to local GAAP presented separately but should be a part of equity according to IFRS. The transition from Local GAAP to IFRS has not had a material impact on the statement of Cash flows.

G) Interest bearing loans and borrowings

At the transition to IFRS, the Group's Bank overdraft are reclassified to short term liabilities.

Parent Company Income Statement

Parent Company Income Statement

SEK '000	Note	2015	2014
Net sales			
Administrative expenses	2,3	-762	-1
Operating profit/(loss)		**-762**	**-1**
Profit from shares in group companies	**4**	0	25 000
Finance expenses	5	-790	0
Profit/loss after financial items		**-1 552**	**24 999**
Received Group contributions		1 553	0
Profit/loss before tax		**1**	**24 999**
Tax	6	0	0
Profit for the year		**1**	**24 999**

Parent Company Statement of Other Comprehensive Income

Profit for the year	**1**	**24 999**
Other comprehensive income net of tax		
Total comprehensive income for the year net of tax	**1**	**24 999**

Parent Company Balance Sheet

SEK '000	Note	31 December 2015	31 December 2014	1 January 2014
Assets				
Non-current assets				
Shares in group companies	7	25 603	25 603	25 603
Receivables from group companies	8	173 257	5 191	0
Total non-current assets		**198 860**	**30 794**	**25 603**
Current assets				
Other receivables		10 000	0	0
Prepaid expenses and accrued income		3 954	0	0
Cash and cash equivalents		97	98	98
Total current assets		14 051	98	98
Total assets		**212 911**	**30 892**	**25 701**
Equity and liabilities				
Restricted equity				
Share capital		100	100	100
Restricted equity		100	100	100
Non-restricted capital				
Retained earnings		25 335	336	180
Profit/loss for the year		1	24 999	5 166
Non-restricted capital		**25 336**	**25 335**	**5 346**
Total equity		**25 436**	**25 435**	**5 446**
Non-current liabilities				
Long-term borrowings	9	182 000	0	0
Intercompany liabilities		0	0	16 282
Other liabilities	9,10	2 310	5 457	3 973
Total non-current liabilities		**184 310**	**5 457**	**20 255**
Current liabilities				
Other liabilities		3 165	0	0
Total current liabilities		**3 165**	**0**	**0**
Total liabilities		**187 475**	**5 457**	**20 255**
Total equity and liabilities		**212 911**	**30 892**	**25 701**

Parent Company Statement of Changes in Shareholders Equity

2015 SEK '000	Share capital	Foreign Currency translation reserve	Cash flow hedge reserve	Revaluation reserve	Retained earnings	Total	Total equity
Equity at 1 January 2014	**100**	**0**	**0**	**0**	**5 346**	**5 446**	**5 446**
Profit for the year					24 999	24 99[illegible]	24 999
Other comprehensive income:						0	0
Total comprehensive income	0	0	0	0	24 999	24 99[illegible]	24 999
Issue of share capital						0	0
Paid dividends					-5 010	-5 010	-5 010
Equity at 31 December 2014	**100**	**0**	**0**	**0**	**25 335**	**25 43[illegible]**	**25 435**
Profit for the year					1	1	1
Other comprehensive income:						0	0
Total comprehensive income	0	0	0	0	1	1	1
Equity on 31 December 2015	**100**	**0**	**0**	**0**	**25 336**	**25 43[illegible]**	**25 436**

Parent Company Statement of Cash Flow

SEK '000	Note	2015	2014
Operating activities			
Profit or loss before tax		1	24 999
		1	24 999
Working capital adjustments:			
Change in operating receivables		-13 954	0
Change in operating liabilities		3 166	0
Net cash flow from operating activities		**-10 787**	**24 999**
Investment activities			
Payments to group companies		-185 978	-5 191
Repayment from group companies receivables		17 912	0
Acquisition of subsidiaries and activities		0	0
Net cash flow from investing activities		**-168 066**	**-5 191**
Financing activities			
Proceeds from borrowings		181 998	1 484
Amortization		-3 146	-16 283
Dividends paid		0	-5 010
Net cash from financing activities		**178 852**	**-19 809**
Net increase in cash and cash equivalents		-1	-1
Cash and cash equivalents at the beginning of the year		98	99
Cash and cash equivalents at 31 December		**97**	**98**

Table of Contents: Notes to the Parent Financial Statement

1. Accounting policies

Basis of preparation

The Parent Company prepares their financial statements in accordance with the Annual Accounts Act and the recommendation RFR 2 Accounting for legal entities. The recommendation means that the Parent Company applies the same accounting policies as the Group, except in those cases when the Annual Accounts Act or current tax rules limits the opportunities to apply IFRS.

The differences between the Group's and the Parent's accounting principles are described below. The below stated accounting principles for the parent company have been applied consistently to all periods presented in the parents financial statements, if not otherwise described.

Changed accounting principles

The parent company previously applied BFNAR 2012:1 Annual report and consolidated financial statements (K3) when they prepared their financial statements. As of this year, as a consequence of the Group's transition to IFRS the parent company applies RFR 2. The main difference from this change are increased disclosure requirements and that the parent needs to present all financial statements.

Subsidiaries and associates

Shares in subsidiaries are in the parent accounted for using the cost method. This means that transaction costs are included in the carrying amount for the subsidiary.

Financial instruments

Due to the relationship between accounting and taxation the parent company does not apply IAS 39 for financial instruments. Instead, the parent company accounts for financial instruments using the cost method, in accordance with RFR 2. This means that the parent company accounts for financial assets at cost, less any impairments, and short-term financial assets at the lower of cost or net realizable value. Derivative instruments consist of interest rate swaps reducing the uncertainty of future interest payments on mortgage loans. Deferral hedge accounting is applied, meaning that the derivatives are not recognized in the income statement or the balance sheet. The fair value of the parent company's interest rate swaps are disclosed in note 23 in the Groups note.

Group contributions and shareholders' contributions

Both received and given group contributions are accounted for as appropriations in accordance with the alternative rule. Shareholders' contributions are accounted for directly against equity at the receiver and are capitalized as shares at the provider, provided there are no need for impairments.

2. Employees

No employees in the parent company. See note 8 for the Group.

3. Fee paid to auditors appointed at the annual general meeting

No audit fee in the parent company. See note 9 for the Group.

4. Profit from shares in group companies

SEK '000	2015	2014
Dividends received	0	25 000
Total profit from shares in group companies	**0**	**25 000**

5. Financial expenses

SEK '000	2015	2014
Financial expenses		
Interest expenses	-790	0
Total financial expenses	**-790**	**0**

Other financial expenses consist of costs associated with the derivative. Jefast Holding AB re-invoices these costs to its subsidiaries which is displayed in Other financial income.

6. Tax

The major components of income tax expense for the year ended 31 December 2015 and 2014 are:

Income statement SEK '000	2015	2014
Current income tax:		
Income tax expense reported in the income statement	**0**	**0**
Statement of OCI		
Deferred tax related to items recognized in OCI during the year:		
Tax of continuing activities	**0**	**0**

Reconciliation of the effective tax rate for the year	2015		2014	
SEK '000	%	SEK '000	%	SEK '000
Profit before tax		**1**		**24 999**
Nominal weighted tax rate for the group	22 %	0	22 %	-5 500
Non-taxable income		0		5 500
Effective tax rate for the year	**22,0 %**	**0**	**0 %**	**0**

7. Investments in subsidiaries

SEK '000	2015	2014
Cost at 1 January	**25 603**	**25 603**
Cost at 31 December	**25 603**	**25 603**

Company	Corporate ID	Domicile	Result	Equity	Proportion of shares	Book value 2015	Book value 2014
Jefast AB	556311-1409	Höganäs	3 213	259 641	100 %	25 603	25 603
Jefast Aviation AB	556464-9266	Höganäs			100 %		
Jefast Belgien Västra AB	556856-6201	Höganäs			100 %		
Jefast Byggservice AB	556581-9827	Höganäs			100 %		
Jefast Industriby KB	916941-9315	Höganäs			90%*		
Jefast Citygalleria Holding AB	556856-6193	Höganäs			100 %		
Jefast Fastigheter Holding AB	556856-6250	Höganäs			100 %		
Höganästriangeln HB	969717-3418	Höganäs			99%*		
Jefast Thor 15 KB	969675-3848	Höganäs			99,97%*		
Jefast i Höganäs AB	556436-7000	Höganäs			100 %		
Jefast Möllan HB	969661-1046	Höganäs			99%*		
Jefast i Helsingborg AB	556714-0180	Höganäs			100 %		
Jefast City Fastigheter AB	556650-5169	Höganäs			100 %		
Jefast i Ängelholm AB	556721-2567	Höganäs			100 %		
Paletten Hotel & Restaurang KB	916831-3097	Höganäs			99%*		
Jefast Långaröd AB	556828-3138	Höganäs			100 %		
Jefast Långaröd Holding AB	556856-6268	Höganäs			100 %		
Jefast Specialfastigheter AB	556856-6243	Höganäs			100 %		
Jefast USA AB	556847-9835	Höganäs			100 %		
Jefast Hotel LLC	75-3269387	USA			100 %		
Properties in Fort Lauderdale LLC	46-5554841	USA			100 %		
Jefast Manager LLC	45-4908005	USA			100 %		
Jefast Pelican Grand I LLC	35-2344083	USA			99%*		
Jefasthuset Holding AB	556844-0928	Höganäs			100 %		
Jefasthuset AB	556676-5805	Höganäs			100 %		
Manere AB	556850-4806	Höganäs			100 %		
Jefast Citygalleria AB	556731-9065	Höganäs			100 %		
18 i Höganäs AB	556852-7120	Höganäs			100 %		

Jefast Parkering AB	556468-2549	Höganäs	100 %
Jefast Real Estate LLC	68-0676594	USA	100 %
Miscere AB	556851-0902	Höganäs	100 %
Struere AB	556767-3933	Höganäs	100 %

*Remaining shares owned by another company in the Group

8. Receivables from group companies

Reconciliation of recievables from group companies		
SEK '000	2015	2014
Recievables from group companies at 1 January	**5 191**	**0**
Incoming accounts	185 978	5 191
Outgoing accounts	-17 912	0
Receivables from group companies at 31 December	**173 257**	**5 191**

Recievables from group companies equals loans to subsidiaries. No due dates on the loans exist.

9. Borrowings and non-current liabilities

Maturity of financial liabilities - expected cash flow	Year 1	Year 2	Year 3-5	More than 5 years	Total
SEK '000					
2015					
Interest-bearing loans and borrowings	11 830	11 830	194 608	0	218 268
Other liabilities	3 165	0	2 310	0	5 475
Total financial liabilities	**14 995**	**11 830**	**196 918**	**0**	**223 743**
2014					
Interest-bearing loans and borrowings	0	0	0	0	0
Other liabilities	0	0	5 457	0	5 457
Total financial liabilities	**0**	**0**	**5 457**	**0**	**5 457**

10. Related parties

Below are the entities that are considered related parties with the Parent. The business transactions are based on regular market conditions and the following table provides the total amount of transactions that have been entered into with related parties.

Entity	Relation	Ownership
Jefast Förvaltning (Bo Jertshagen)	Majority owner	92,50 %
Induere AB (Bo Jertshagen)	Shareholder	7,50 %

Significant related party transactions and balances				
	Jefast Förvaltning		Induere	
SEK '000	**2015**	**2014**	**2015**	**2014**
Liabilities to related parties	0	0	2 309	5 457

11. Contingencies and commitments

SEK '000	2015	2014
Pledged collateral	**None**	**None**
Contingent liabilities		
Contingent liabilities for the benefit of subsidiaries	138 390	65 390
	138 390	**65 390**

12. Events after the balance sheet date

Please see note 29 for the Group.

13. First time adoption

These financial statements, for the year ended 31 December 2015, are the first the Parent has prepared in accordance with RFR2. For periods up to and including the year ended 31 December 2014, the Parent prepared its financial statements in accordance with local generally accepted accounting principles (Local GAAP).

Accordingly, the Parent has prepared financial statements that comply with RFR2 applicable as at 31 December 2015, together with the comparative period data for the year ended 31 December 2014, as described in the summary of significant accounting policies. No changes between Local GAAP and RFR2 has been identified.