

# K/S Baron Boltens Gaard


c/o SF Management ApS  
Amailiegade 15, 2.  
1256 København K

CVR no. 27 20 31 75

**Annual report for the period 1 January – 31 December 2017**

The annual report was presented and approved at the  
Limited partnership's annual general meeting on

27 February 2018

  
\_\_\_\_\_  
chairman

**K/S Baron Boltens Gaard**  
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## Statement by the Board of Directors

The Board of Directors have today discussed and approved the annual report of K/S Baron Boltens Gaard for the financial year 1 January – 31 December 2017.

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

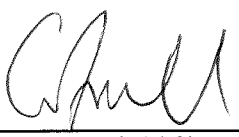
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.


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

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

Copenhagen, 27 February 2018

Board of Directors:

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\_\_\_\_\_  
Nicola Antonio Di Ciacca  
Chairman

  
\_\_\_\_\_  
Gareth James Purcell

  
\_\_\_\_\_  
Christian Ulrich Brandt  
Birger-Christensen



## **Independent auditor's report**

### **To the shareholders of K/S Baron Boltens Gaard**

#### **Opinion**

We have audited the financial statements of K/S Baron Boltens Gaard for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

#### **Management's responsibility for the financial statements**

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

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

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

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

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that



## Independent auditor's report

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 27 February 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Michael Tuborg  
State Authorised  
Public Accountant  
MNE no. 24621

**K/S Baron Boltens Gaard**  
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## **Management's review**

### **Company details**

K/S Baron Boltens Gaard  
c/o SF Management ApS, Amaliegade 15, 2.  
1256 København K

CVR no.:	27 20 31 75
Established:	16 June 2003
Registered office:	Copenhagen
Financial year:	1 January – 31 December

### **Board of Directors**

Nicola Antonio Di Ciacca, Chairman  
Gareth James Purcell  
Christian Ulrich Brandt Birger-Christensen

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

### **Annual general meeting**

The annual general meeting will be held on 27 February 2018.

## **Management's review**

### **Operating review**

#### **Principal activities**

The purpose of the Limited Partnership is to carry out business by way of acquiring and renting out the property Store Kongensgade 5A, DK-1264 København K, title number 35 Sankt Annæ Vester Kvarter, København and Gothersgade 8A and 10A-C, DK-1123 København K, title number 25 and 26, Sankt Annæ Vester Kvarter, København.

#### **Uncertainty regarding recognition and measurement**

The investment property is measured in the annual report at fair value based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate. As a basis for the statement, Management obtained indications of market yields from similar properties. Based on a market yield of 5 %, the fair value for the property amounts to DKK 255 million.

#### **Development in activities and financial position**

The Limited partnership's income statement for the year shows a profit of DKK 14,801 thousand, and the balance sheet at 31 December 2017 shows equity of DKK 116,907 thousand.

In 2018, the ultimate owner of the Company expects to dispose of the property in a share deal.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date which could significantly affect the Limited partnership's financial position.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2017	2016
<b>Gross profit</b>		2,499	6,301
Fair value adjustment of investment properties		13,179	36,866
<b>Profit before financial income and expenses</b>		15,678	43,167
Financial income	2	167	1,236
Financial expenses		-1,044	-3,481
<b>Profit for the year</b>		14,801	40,922
<b>Proposed profit appropriation</b>			
Retained earnings		14,801	40,922



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	3		
Investment properties		<u>254,950</u>	<u>228,001</u>
		<u>254,950</u>	<u>228,001</u>
<b>Total fixed assets</b>		<u>254,950</u>	<u>228,001</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		731	600
Other receivables		5,234	14
Prepayments		<u>0</u>	<u>39</u>
		<u>5,965</u>	<u>653</u>
<b>Cash at bank and in hand</b>		<u>6,085</u>	<u>8,565</u>
<b>Total current assets</b>		<u>12,050</u>	<u>9,218</u>
<b>TOTAL ASSETS</b>		<u><u>267,000</u></u>	<u><u>237,219</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		15,365	15,365
Retained earnings		<u>101,542</u>	<u>86,741</u>
<b>Total equity</b>		<u>116,907</u>	<u>102,106</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Mortgage loans		130,728	130,763
Deposits and prepaid rent		<u>3,476</u>	<u>3,508</u>
		<u>134,204</u>	<u>134,271</u>
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities		35	141
Trade payables		14,649	610
Other payables		<u>1,205</u>	<u>91</u>
		<u>15,889</u>	<u>842</u>
<b>Total liabilities other than provisions</b>		<u>150,093</u>	<u>135,113</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>267,000</u>	<u>237,219</u>
<b>Contractual obligations, contingencies, etc.</b>	5		
<b>Related party disclosures</b>	6		

## Financial statements 1 January – 31 December

### Statement of changes in equity

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	15,365	86,741	102,106
Transferred over the profit appropriation	<u>0</u>	<u>14,801</u>	<u>14,801</u>
<b>Equity at 31 December 2017</b>	<u><u>15,365</u></u>	<u><u>101,542</u></u>	<u><u>116,907</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of K/S Baron Boltens Gaard for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

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

Pursuant to Section 32 of the Danish Financial Statements Act, the Limited partnership has decided only to disclose gross profit.

### Income statement

#### Gross Profit

Gross profit comprises rental income, operating expenses and administrative expenses.

#### Rental income

Income and expenses related to property operation - excluding fair value adjustments - are recognised as rental income and operating expenses, respectively.

#### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Limited partnership.

#### Fair value adjustments of investment properties

Fair value adjustments of investment properties related to properties are recognised in the income statement.

#### Financial income and expenses

Financial income and expenses comprise interest income and expenses.

### Balance sheet

#### Investment properties

On initial recognition, investment properties are measured at cost comprising the purchase price and transaction costs directly attributable to the acquisition. Subsequently, investment properties are measured at fair value.

The properties are valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate.

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

##### **Liabilities other than provisions**

Mortgage loans are measured at amortised costs.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 2 Financial income

DKK'000	2017	2016
Interest income from group entities	31	0
Other financial income	136	1,236
	<u>167</u>	<u>1,236</u>

#### 3 Property, plant and equipment

DKK'000	Investment properties
Cost at 1 January 2017	158,346
Additions for the year	<u>13,770</u>
Cost at 31 December 2017	<u>172,116</u>
Revaluations at 1 January 2017	69,655
Revaluations for the year	<u>13,179</u>
Revaluations at 31 December 2017	<u>82,834</u>
<b>Carrying amount at 31 December 2017</b>	<u><u>254,950</u></u>

The properties are valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate.  
Exit yield for the valuation has been determined at 5%.

#### 4 Long term debt

DKK'000	Debt at 1 January 2017	Debt at 31 December 2017	Debt after 5 years
Mortgage loans	130,904	130,763	131,435
Deposits and prepaid rent	3,508	3,476	0
	<u>134,412</u>	<u>134,239</u>	<u>131,435</u>

#### 5 Contractual obligations, contingencies, etc.

##### Mortgages and collateral

The property is pledged as security for mortgages. Book value of pledged property amounts to DKK 254,950 thousand.

##### Contingent liabilities

The Limited partnership has no contingent liabilities.

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## **Financial statements 1 January – 31 December**

### **Notes**

#### **6 Related party disclosures**

IRAF Kay GP ApS is the general partner.