

K/S Hardy Avenue

Gl. Ringstedvej 61, 4300 Holbæk
CVR no. 28 67 82 58

Annual report for 2020

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 19.03.21

Peter Christian Møgelberg Hansen
Dirigent

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The company

K/S Hardy Avenue
c/o Advodan I/S
Gl. Ringstedvej 61
4300 Holbæk
Tel.: 22 12 14 16
Registered office: Holbæk
CVR no.: 28 67 82 58
Financial year: 01.01 - 31.12

Executive Board

Peter Christian Møgelberg Hansen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.01.20 - 31.12.20 for K/S Hardy Avenue.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In my opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.20 and of the results of the company's activities for the financial year 01.01.20 - 31.12.20.

I believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Holbæk, March 19, 2021

Executive Board

Peter Christian Møgelberg Hansen
Chairman

Independent auditor's report on extended review

To the owner of K/S Hardy Avenue

Conclusion

We have performed an extended review of the financial statements of K/S Hardy Avenue for the financial year 01.01.20 - 31.12.20 which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Based on the work performed, in our opinion, the financial statements give a true and fair view of the company's assets, equity and liabilities and financial position as at 31.12.20 and the company's financial performance for the financial year 01.01.20 - 31.12.20 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the 'Auditor's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Statement regarding the management's review

The management is responsible for the management's review.

Our opinion on the financial statements does not include the management's review, and we do not express any form of conclusion on the management's review.

In connection with our extended review of the financial statements, it is our responsibility to read the management's review and in this connection consider whether the management's review is materially inconsistent with the financial statements or the knowledge we have obtained during our extended review, or in any other way appears to be materially misstated.

Independent auditor's report on extended review

Furthermore, it is our responsibility to consider whether management's review contains the information required under the Danish Financial Statements Act.

Based on the work performed, we believe that the management's review is in accordance with the financial statements and has been prepared in accordance with the provisions of the Danish Financial Statements Acts. We have not detected any material misstatement in the management's review.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Danish Financial Statements Act and for such internal control as the 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures primarily consisting of making inquiries of management and others within the company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Independent auditor's report on extended review

Slagelse, March 19, 2021

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Anders Søding Paulsen

State Authorized Public Accountant
MNE-no. mne34326

Primary activities

The company's activities comprise the renting out of the property located at Brierfield House, Hardy Avenue, Brierfield, Nelson, Lancashire BB9 5RN.

Development in activities and financial affairs

The income statement for the period 01.01.20 - 31.12.20 shows a profit/loss of DKK -6,044,570 against DKK'000 -31 for the period 01.01.19 - 31.12.19. The balance sheet shows equity of DKK 16,630,161.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note	2020 DKK	2019 DKK '000
Gross result	-119,734	796
Fair value adjustment of investment properties	-3,901,617	194
Operating profit/loss	-4,021,351	990
Income from equity investments in group enterprises	-1,904,054	499
1 Financial income	2,883,442	2,101
2 Financial expenses	-3,002,607	-3,621
Loss for the year	-6,044,570	-31
Proposed appropriation account		
Reserve for net revaluation according to the equity method	-5,767,947	499
Retained earnings	-276,623	-530
Total	-6,044,570	-31

ASSETS		31.12.20	31.12.19
		DKK	DKK '000
Note			
	Investment properties	16,269,655	20,171
3	Total property, plant and equipment	16,269,655	20,171
4	Equity investments in group enterprises	14,282,251	20,050
	Receivables from group enterprises	14,902,180	15,858
	Total investments	29,184,431	35,908
	Total non-current assets	45,454,086	56,079
	Receivables from group enterprises	58,205	58
	Other receivables	0	63
	Total receivables	58,205	121
	Cash	630,302	3,809
	Total current assets	688,507	3,930
	Total assets	46,142,593	60,009

EQUITY AND LIABILITIES		31.12.20	31.12.19
		DKK	DKK '000
Note			
	Share capital	100,000	100
	Reserve for net revaluation according to the equity method	14,281,416	20,049
	Retained earnings	2,248,745	4,245
	Total equity	16,630,161	24,394
5	Mortgage debt	29,186,525	31,059
5	Payables to group enterprises	0	4,229
	Total long-term payables	29,186,525	35,288
	Payables to group enterprises	206,680	197
	Other payables	119,227	130
	Total short-term payables	325,907	327
	Total payables	29,512,432	35,615
	Total equity and liabilities	46,142,593	60,009

6 Fair value information

7 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
Statement of changes in equity for 01.01.20 - 31.12.20				
Balance as at 01.01.20	100,000	20,049,363	4,245,011	24,394,374
Other changes in equity	0	0	-1,719,643	-1,719,643
Net profit/loss for the year	0	-5,767,947	-276,623	-6,044,570
Balance as at 31.12.20	100,000	14,281,416	2,248,745	16,630,161

	2020 DKK	2019 DKK '000
1. Financial income		
Interest, group enterprises	987,559	960
Other interest income	10,045	13
Foreign exchange gains	1,885,838	1,128
Total	2,883,442	2,101

2. Financial expenses

Interest, group enterprises	29,267	9
Other interest expenses	1,791,424	1,859
Foreign exchange losses	1,181,916	1,753
Total	3,002,607	3,621

3. Property, plant and equipment

Figures in DKK	Investment properties
Cost as at 01.01.20	36,053,087
Cost as at 31.12.20	36,053,087
Fair value adjustments as at 01.01.20	-15,881,815
Fair value adjustments during the year	-3,901,617
Fair value adjustments as at 31.12.20	-19,783,432
Carrying amount as at 31.12.20	16,269,655

4. Equity investments in group enterprises

Figures in DKK	Equity invest- ments in group enterprises
Cost as at 01.01.20	835
Cost as at 31.12.20	835
Revaluations as at 01.01.20	20,049,364
Reversal of revaluations of disposed assets	337,524
Net profit/loss from equity investments	-2,241,578
Dividend relating to equity investments	-3,863,894
Revaluations as at 31.12.20	14,281,416
Carrying amount as at 31.12.20	14,282,251
Name and registered office:	Ownership interest
Subsidiaries:	
K/S Fen Lane, Holbæk	100%
Brierfield House Care Limited, Chesterfield	100%

5. Long-term payables

	Outstanding debt after 5 years DKK	Total payables at 31.12.20 DKK	Total payables at 31.12.19 DKK '000
Mortgage debt	0	29,186,525	31,059
Payables to group enterprises	3,863,894	0	4,229
Total	3,863,894	29,186,525	35,288

6. Fair value information

Figures in DKK	Investment pro- perties	Total
Fair value as at 31.12.20	16,269,655	16,269,655
Changes for the year of fair value recognised in the income statement	-3,901,617	-3,901,617

The property owned by the company is no longer leased out to a third party care home operator in the UK. In March 2020, the company established a UK subsidiary (100% owned) which now carries out the running of the care home. Thus, the property investment is recognised in the annual report as a owner operated care home at market value. The value is determined based on an expected/achievable EBITDA in the underlying care home operation within 18-24 months with a multiplier of 6, which takes into account the outstanding maintenance work/updating of the care home. These principles are supported by a desktop valuation performed by an external broker. The property is recognised at a valuation of DKK'000 16,270 at 31.12.2020.

7. Charges and security

The company has entered into a loan agreement with Bank of Ireland together with K/S Hardy Avenue, K/S Crane Lane and K/S Meadow Way. The loan is secured through legal charge of the companies' property and rental income. The book value of the mortgaged property is DKK'000 16,270. Furthermore, the company's cash assets have been pledged in favor of the bank. The pledged accounts comprise DKK'000 630.

8. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

INCOME STATEMENT

Gross result

Gross result comprises rental income and other external expenses.

Rental income

Income from the rental of properties is recognised in the income statement for the relevant period. Rental income is measured at fair value and determined exclusive of VAT and discounts.

8. Accounting policies - continued -**Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Depreciation, amortisation and impairment losses

Investment properties are not depreciated.

Fair value adjustment of investment properties

Unrealised value adjustments of investment properties and realised gains and losses on the sale of assets are recognised in the fair value adjustment of investment properties.

Income from equity investments in group enterprises

For equity investments in equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

Tax on profit/loss for the year

The company is not an independent tax entity. Tax is therefore not recognised in the financial statements, as current and deferred tax is payable by the limited partners and the general partner.

8. Accounting policies - continued -**BALANCE SHEET****Property, plant and equipment***Investment properties*

Investment properties comprise investments in land and buildings for the purpose of earning a return on such investments in the form of regular operating income and capital gains on sale. Investment properties are recognised at cost at the date of acquisition. Cost comprises the purchase price plus expenses resulting directly from the purchase until the asset is ready for use. Investment properties are subsequently measured at fair value with value adjustments in the income statement. The fair value is calculated by applying an individually determined discount rate to the capitalisation of a market-based operating income from the property. A valuer has not been used to determine the fair value.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

8. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

8. Accounting policies - continued -**Payables**

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.