

# Holck Invest ApS

Langforte 120, 6070 Christiansfeld

CVR no. 28 89 49 45

## Annual report 2019/20

Approved at the Company's annual general meeting on 28 February 2021

Chairman:

  
.....  
Heide Vestergaard Frandsen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.





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## Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Holck Invest ApS for the financial year 1 October 2019 - 30 September 2020.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Executive Board has considered the criteria for omission of audit to be met.

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2020 and of the results of the Company's operations for the financial year 1 October 2019 - 30 September 2020.

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

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

Christiansfeld, 28 February 2021  
Executive Board:



Heide Vestergaard Frandsen  
CEO

The general meeting has decided that the financial statements for the coming financial year will not be audited.

## Independent auditor's report on the compilation of financial statements

### To the general management of Holck Invest ApS

We have compiled the financial statements of Holck Invest ApS for the financial year 1 October 2019 - 30 September 2020 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Haderslev, 28 February 2021  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Lars Mortensen  
State Authorised Public Accountant  
mne32743



## Management's review

### Company details

Name	Holck Invest ApS
Address, Postal code, City	Langforte 120, 6070 Christiansfeld
CVR no.	28 89 49 45
Established	13 July 2005
Registered office	Kolding
Financial year	1 October 2019 - 30 September 2020
Executive Board	Heide Vestergaard Frandsen, CEO
Accountant	EY Godkendt Revisionspartnerselskab Norgesvej 24 B, 6100 Haderslev, Denmark



## **Management's review**

### **Business review**

The Company's principal activities comprise residential letting.

### **Financial review**

The income statement for 2019/20 shows a profit of DKK 313,224 against a profit of DKK 738,157 last year, and the balance sheet at 30 September 2020 shows equity of DKK 1,371,555. In the financial year, the Company was transferred to a Latvian company. The transfer is attributable to a change in the financing of properties.

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

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 October 2019 - 30 September 2020

### Income statement

Note	DKK	2019/20	2018/19
	<b>Gross profit</b>	556,787	306,768
	Fair value adjustment of investment property	182,209	711,407
	<b>Profit before net financials</b>	738,996	1,018,175
	Financial income	36,269	16,367
3	Financial expenses	-328,841	-126,785
	<b>Profit before tax</b>	446,424	907,757
4	Tax for the year	-133,200	-169,600
	<b>Profit for the year</b>	<u>313,224</u>	<u>738,157</u>
	<b>Recommended appropriation of profit</b>		
	Retained earnings	<u>313,224</u>	<u>738,157</u>

## Financial statements 1 October 2019 - 30 September 2020

### Balance sheet

Note	DKK	<u>2019/20</u>	<u>2018/19</u>
	<b>ASSETS</b>		
	Fixed assets		
	Property, plant and equipment		
5	Investment property	12,746,734	7,600,000
		<u>12,746,734</u>	<u>7,600,000</u>
	<b>Total fixed assets</b>	<u>12,746,734</u>	<u>7,600,000</u>
	<b>Non-fixed assets</b>		
	Receivables		
	Other receivables	1,431,296	373,786
	Prepayments	0	3,316
		<u>1,431,296</u>	<u>377,102</u>
	<b>Cash</b>	455,867	32,259
	<b>Total non-fixed assets</b>	<u>1,887,163</u>	<u>409,361</u>
	<b>TOTAL ASSETS</b>	<u><u>14,633,897</u></u>	<u><u>8,009,361</u></u>



## Financial statements 1 October 2019 - 30 September 2020

### Balance sheet

Note	DKK	2019/20	2018/19
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	125,000	125,000
	Retained earnings	1,246,555	933,331
	<b>Total equity</b>	<b>1,371,555</b>	<b>1,058,331</b>
	<b>Provisions</b>		
	Deferred tax	272,700	139,500
	<b>Total provisions</b>	<b>272,700</b>	<b>139,500</b>
	<b>Liabilities other than provisions</b>		
6	<b>Non-current liabilities other than provisions</b>		
	Mortgage debt	6,176,836	4,581,164
	Subordinate loan capital	5,244,636	1,679,914
	Deposits	230,790	159,600
		<b>11,652,262</b>	<b>6,420,678</b>
	<b>Current liabilities other than provisions</b>		
6	Short-term part of long-term liabilities other than provisions	333,902	214,451
	Trade payables	105,104	124,251
	Payables to shareholders and Management	846,188	50,406
	Other payables	37,056	1,744
	Deferred income	15,130	0
		<b>1,337,380</b>	<b>390,852</b>
	<b>Total liabilities other than provisions</b>	<b>12,989,642</b>	<b>6,811,530</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,633,897</b>	<b>8,009,361</b>

- 1 Accounting policies
- 2 Staff costs
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral



## Financial statements 1 October 2019 - 30 September 2020

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 October 2019	125,000	933,331	1,058,331
Transfer through appropriation of profit	0	313,224	313,224
Equity at 30 September 2020	<u>125,000</u>	<u>1,246,555</u>	<u>1,371,555</u>

## Financial statements 1 October 2019 - 30 September 2020

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Holck Invest ApS for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Income statement

##### Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

#### Balance sheet

##### Property, plant and equipment

Investment properties are measured at fair value corresponding to the properties' market value. Changes in fair value are recognised in the income statement.

Fair value is determined based on an external assessment made by a valuation expert or alternatively on a generally accepted valuation method based on a return-based model.

Subsequent costs are added to the acquisition cost of the investment properties when it is probable that future economic benefits will flow to the Company when costs are incurred. Other costs incurred for repairs and maintenance are recognised in profit or loss as incurred.

## Financial statements 1 October 2019 - 30 September 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.



## Financial statements 1 October 2019 - 30 September 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Financial statements 1 October 2019 - 30 September 2020

### Notes to the financial statements

#### 2 Staff costs

The Company has no employees.

DKK	2019/20	2018/19
<b>3 Financial expenses</b>		
Interest expenses, group entities	4,812	51,847
Exchange adjustments	66,370	3,564
Other financial expenses	257,659	71,374
	<u>328,841</u>	<u>126,785</u>
<b>4 Tax for the year</b>		
Deferred tax adjustments in the year	133,200	169,600
	<u>133,200</u>	<u>169,600</u>

#### 5 Investment property

The Company invests in rental property. Investment properties are recognised at fair value with value adjustment over the income statement, see the provisions in section 38 of the Danish Financial Statements Act.

##### *Fair value estimation*

The fair value of investment property is estimated for every single property on the basis of the budget for the coming year, adjusted for fluctuations of a one-off nature. This adjusted budget reflects 'normalised' results of operations and is used in combination with a relevant yield requirement to estimate the fair value based on a return-based model.

The most important assumption for the fair value is the average required rate of return (5.50-7.00% for 2019/20 against 6.5-7.0% for 2018/19) depending on location, maintenance standard, etc. Return is computed as a standard year taking into consideration the term of the lease, size of the rent, solvency of the tenant, expected vacancies and the maintenance standard of the property.

#### 6 Non-current liabilities other than provisions

DKK	Total debt at 30/9 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	6,510,738	333,902	6,176,836	4,852,173
Subordinate loan capital	5,244,636	0	5,244,636	4,199,664
Deposits	230,790	0	230,790	0
	<u>11,986,164</u>	<u>333,902</u>	<u>11,652,262</u>	<u>9,051,837</u>

#### 7 Contractual obligations and contingencies, etc.

##### **Other contingent liabilities**

The Company has no contractual obligations or contingencies at the balance sheet date.

## Financial statements 1 October 2019 - 30 September 2020

### Notes to the financial statements

#### 8 Collateral

Mortgage deeds totalling DKK 1,375 thousand and DKK 623 thousand secured upon the property at Aastrupvej 82A, 6100 Haderslev with a carrying amount of DKK 1,700 thousand at 30 September 2020 have been provided as collateral for mortgage debt totalling DKK 1,346 thousand.

Mortgage deeds totalling DKK 2,444 thousand and DKK 1,698 thousand secured upon the property at Storegade 25, 6100 Haderslev with a carrying amount of DKK 5,900 thousand at 30 September 2020 have been provided as collateral for mortgage debt totalling DKK 4,031 thousand.

A mortgage deed totalling DKK 245 thousand secured upon the property at Nørremarksvej 1E, 6510 Gram with a carrying amount of DKK 245 thousand at 30 September 2020 has been provided as collateral for mortgage debt totalling DKK 245 thousand.

A mortgage deed totalling DKK 1,025 thousand secured upon the property at Birkvej 32, 6070 Christiansfeld with a carrying amount of DKK 1,196 thousand at 30 September 2020 has been provided as collateral for mortgage debt totalling DKK 634 thousand.

A mortgage deed totalling DKK 642 thousand secured upon the property at Storegade 87A, 6100 Haderslev with a carrying amount of DKK 1,400 thousand at 30 September 2020 has been provided as collateral for mortgage debt totalling DKK 301 thousand.