

# **K/S Crane Lane**

Gl Ringstedvej 61, 4300 Holbæk  
CVR no. 28 98 38 59

## **Annual report for 2019**

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 31.05.20

Peter Christian Møgelberg Hansen  
Dirigent

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**The company**

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K/S Crane Lane  
c/o Advodan I/S  
Gl Ringstedvej 61  
4300 Holbæk  
Tel.: 22 12 14 16  
Registered office: Holbæk  
CVR no.: 28 98 38 59  
Financial year: 01.01 - 31.12

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**Executive Board**

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Peter Christian Møgelberg Hansen

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**Auditors**

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Beierholm  
Statsautoriseret Revisionspartnerselskab

## **Statement of the Board of Directors on the annual report**

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I have on this day presented the annual report for the financial year 01.01.19 - 31.12.19 for K/S Crane Lane.

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 31.12.19 and of the results of the company's activities for the financial year 01.01.19 - 31.12.19.

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, May 31, 2020

### **Executive Board**

Peter Christian Møgelberg Hansen  
Chairman

## Independent auditor's report on extended review

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### To the owner of K/S Crane Lane

#### Conclusion

We have performed an extended review of the financial statements of K/S Crane Lane for the financial year 01.01.19 - 31.12.19 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 31.12.19 and the company's financial performance for the financial year 01.01.19 - 31.12.19 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

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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.

## **Independent auditor's report on extended review**

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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.

Slagelse, May 31, 2020

**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 of renting out the property located at Highfield Hall, Crane Road, Haslingden, Rossingdale BB4 5ES, England.

**Development in activities and financial affairs**

The income statement for the period 01.01.19 - 31.12.19 shows a profit/loss of DKK 1,371,856 against DKK'000 2,823 for the period 01.01.18 - 31.12.18. The balance sheet shows equity of DKK 28,021,037.

Adjustment of property and debt at fair value is a net income of DKK'000 510.

The company has established a UK subsidiary which has taken over the daily operation of the care home from the previous operator. As part of this transfer, the lease agreement has been assigned from previous operator to the subsidiary. The parties have agreed to a temporary rent discount throughout the transition phase but with the view that the rent payments should normalize to the original level - as set out in the lease agreement - as soon as possible end of 2020 or early 2021. Thus, the company expects unchanged rent payments and yield going forward after the transition phase. However, based on a precautionary principle, the company has incorporated a provision of DKK'000 1.000 in the valuation of the property to meet any further disruptions in the rent payments.

**Subsequent events**

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



## Income statement

Note	2019 DKK	2018 DKK '000
<b>Revenue</b>	<b>2,977,254</b>	<b>3,859</b>
Other external expenses	-116,706	-343
<b>Gross profit</b>	<b>2,860,548</b>	<b>3,516</b>
Fair value adjustment of investment properties	2,574,939	1,019
<b>Operating profit</b>	<b>5,435,487</b>	<b>4,535</b>
1 Financial income	189,338	508
2 Financial expenses	-4,252,969	-2,220
<b>Profit for the year</b>	<b>1,371,856</b>	<b>2,823</b>
<b>Proposed appropriation account</b>		
Retained earnings	1,371,856	2,823
<b>Total</b>	<b>1,371,856</b>	<b>2,823</b>

<b>ASSETS</b>		31.12.19	31.12.18
		DKK	DKK '000
Note			
	Investment properties	62,375,715	59,801
3	<b>Total property, plant and equipment</b>	<b>62,375,715</b>	<b>59,801</b>
4	Equity investments in group enterprises	834	0
	<b>Total investments</b>	<b>834</b>	<b>0</b>
	<b>Total non-current assets</b>	<b>62,376,549</b>	<b>59,801</b>
	Other receivables	62,540	31
	<b>Total receivables</b>	<b>62,540</b>	<b>31</b>
	<b>Cash</b>	<b>2,171,819</b>	<b>2,155</b>
	<b>Total current assets</b>	<b>2,234,359</b>	<b>2,186</b>
	<b>Total assets</b>	<b>64,610,908</b>	<b>61,987</b>

<b>EQUITY AND LIABILITIES</b>		31.12.19	31.12.18
		DKK	DKK '000
Note			
5	Share capital	100,000	100
	Retained earnings	27,921,037	26,798
	<b>Total equity</b>	<b>28,021,037</b>	<b>26,898</b>
6	Mortgage debt	35,641,991	34,285
	<b>Total long-term payables</b>	<b>35,641,991</b>	<b>34,285</b>
6	Short-term part of long-term payables	622,414	455
	Payables to associates	184,294	176
	Other payables	141,172	173
	<b>Total short-term payables</b>	<b>947,880</b>	<b>804</b>
	<b>Total payables</b>	<b>36,589,871</b>	<b>35,089</b>
	<b>Total equity and liabilities</b>	<b>64,610,908</b>	<b>61,987</b>
7	Charges and security		

## Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.19 - 31.12.19			
Balance as at 01.01.19	100,000	26,797,921	26,897,921
Other changes in equity	0	-248,740	-248,740
Net profit/loss for the year	0	1,371,856	1,371,856
Balance as at 31.12.19	100,000	27,921,037	28,021,037

	2019 DKK	2018 DKK '000
<b>1. Financial income</b>		
Interest, group enterprises	14,000	0
Other interest income	14,253	7
Foreign currency translation adjustments	0	501
Foreign exchange gains	161,085	0
<b>Total</b>	<b>189,338</b>	<b>508</b>

**2. Financial expenses**

Interest, group enterprises	8,776	0
Other interest expenses	2,179,529	2,177
Foreign currency translation adjustments	2,064,664	0
Foreign exchange losses	0	43
<b>Total</b>	<b>4,252,969</b>	<b>2,220</b>

**3. Property, plant and equipment**

Figures in DKK	Investment properties
Cost as at 01.01.19	68,317,628
Cost as at 31.12.19	68,317,628
Revaluations as at 01.01.19	-8,516,852
Revaluations during the year	2,574,939
Revaluations as at 31.12.19	-5,941,913
Carrying amount as at 31.12.19	62,375,715

**3. Property, plant and equipment** - continued -

The investment of the Entity is recognised in the annual report at market value according to a yield based valuation model. The property is leased to one tenant on a very long tenure (until September 2035) and with an obligation for the tenant to incur all expenses regarding the property throughout the tenure. Thus, the property generates a very steady and predictable operating return. Therefore, a yield based valuation model is preferable. The property is recognised at a valuation of DKK'000 63.376 at 31.12.2019 according to the management's valuation model using a yield of 6.5%. As described in management's review a provision of DKK'000 1.000 has been incorporated in the valuation of the property to meet any further disruptions in the rent payments.

**4. Equity investments in group enterprises**

Figures in DKK	Equity invest- ments in group enterprises
Additions during the year	834
Cost as at 31.12.19	834
Carrying amount as at 31.12.19	834
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Name and registered office:	Ownership interest
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Subsidiaries:	
Highfield Hall Care Limited, Chesterfield	100%

**5. Share capital**

The Entity's share capital amounts to DKK'000 100. DKK'000 100 has been paid in cash to the Entity.

## 6. Longterm payables

	Repayment first year DKK	Outstanding debt after 5 years DKK	Total payables at 31.12.19 DKK	Total payables at 31.12.18 DKK '000
Mortgage debt	622,414	30,358,043	36,264,405	34,740
Total	622,414	30,358,043	36,264,405	34,740

The Entity's debt to mortgage lender is based on a fixed ferm and interest rates and tenure until 31 July 2024. Prepayments of the mortgage debt are subject to fixed rate breakage costs.

## 7. Charges and security

The Entity 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 entities' property and rental income. The book value of the mortgaged property is DKK'000 63,376. Furthermore, the Entity's cash assets have been pledged in favor of the bank. The pledged accounts compise DKK'000 2,172.

## 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 with application of provisions for a higher reporting class.

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.

### CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.



**8. Accounting policies** - continued -**INCOME STATEMENT****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.

**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.

**Other net financials**

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies 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, meaning that these 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 positive or negative goodwill and gains and losses on transactions with the enterprises in question.

Gains or losses on the divestment of subsidiaries are determined as the difference between the divestment 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.

**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.

**8. Accounting policies** - continued -**Cash**

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

**Equity**

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

**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.