

K/S Meadow Way

Gl Ringstedvej 61, 4300 Holbæk
CVR no. 29 16 97 05

Annual report for 2019

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 31.05.20

Peter Christian Møgelberg Hansen
Dirigent



STATSAUTORISERET
REVISIONSPARTNERSELSKAB

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Slagelse
Ndr. Ringgade 70A
4200 Slagelse

Tel. 58 55 82 00
www.beierholm.dk
CVR-nr. 32 89 54 68

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The company

K/S Meadow Way
c/o Advodan I/S
Gl Ringstedvej 61
4300 Holbæk
Registered office: Holbæk
CVR no.: 29 16 97 05
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 01.01.19 - 31.12.19 for K/S Meadow Way.

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

Independent auditor's report on extended review

To the owner of K/S Meadow Way

Conclusion

We have performed an extended review of the financial statements of K/S Meadow Way 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

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

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 Wellmeadow Lodge, Meadow Way, Crookfur, Glasgow G77, Scotland.

Development in activities and financial affairs

The income statement for the period 01.01.19 - 31.12.19 shows a profit/loss of DKK -30,264 against DKK'000 2,803 for the period 01.01.18 - 31.12.18. The balance sheet shows equity of DKK 15,160,184.

Adjustment of property and debt at fair value is a net income of DKK'000 803. The rent will be adjusted in accordance with the development of price index, however a maximum of 4.0% per year.

Subsequent events

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

Income statement

Note		2019 DKK	2018 DKK '000
	Revenue	5,659,935	5,436
	Other external expenses	-2,138,319	-553
	Gross profit	3,521,616	4,883
	Fair value adjustment of investment properties	5,063,637	1,443
	Operating profit	8,585,253	6,326
1	Financial income	171,812	1,039
2	Financial expenses	-8,787,329	-4,562
	Profit/loss for the year	-30,264	2,803

Proposed appropriation account

	Retained earnings	-30,264	2,803
	Total	-30,264	2,803

Balance sheet

ASSETS			
		31.12.19	31.12.18
		DKK	DKK '000
Note			
	Investment properties	89,767,175	84,704
3	Total property, plant and equipment	89,767,175	84,704
	Total non-current assets	89,767,175	84,704
	Other receivables	68,535	19
	Total receivables	68,535	19
	Cash	1,341,778	2,526
	Total current assets	1,410,313	2,545
	Total assets	91,177,488	87,249

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.19 DKK	31.12.18 DKK '000
4	Share capital	100,000	100
	Retained earnings	15,060,184	15,090
	Total equity	15,160,184	15,190
5	Mortgage debt	71,077,971	71,271
	Total long-term payables	71,077,971	71,271
5	Short-term part of long-term payables	4,453,331	0
	Payables to group enterprises	8,584	229
	Payables to associates	188,635	180
	Other payables	288,783	379
	Total short-term payables	4,939,333	788
	Total payables	76,017,304	72,059
	Total equity and liabilities	91,177,488	87,249
6	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	15,090,448	15,190,448
Net profit/loss for the year	0	-30,264	-30,264
Balance as at 31.12.19	100,000	15,060,184	15,160,184

	2019 DKK	2018 DKK '000
1. Financial income		
Other interest income	15,589	11
Foreign currency translation adjustments	156,223	1,028
Total	171,812	1,039

2. Financial expenses

Interest, group enterprises	9,610	77
Other interest expenses	4,517,107	4,418
Foreign currency translation adjustments	4,260,612	67
Total	8,787,329	4,562

3. Property, plant and equipment

Figures in DKK	Investment properties
Cost as at 01.01.19	145,376,084
Cost as at 31.12.19	145,376,084
Revaluations as at 01.01.19	-60,672,546
Revaluations during the year	5,063,637
Revaluations as at 31.12.19	-55,608,909
Carrying amount as at 31.12.19	89,767,175

The investment of the company 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 89,767 at 31.12.2019 according to the management's valuation model using a yield of 6.5%.

4. Share capital

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

5. Long-term 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	4,453,331	0	75,531,302	71,271
Total	4,453,331	0	75,531,302	71,271

6. 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 89,767. Furthermore, the company's cash assets have been pledged in favor of the bank. The pledged accounts comprise DKK'000 1,342.

7. 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.

7. 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 expenses relating to the company's ordinary activities.

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.

7. 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.

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.

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.