

K/S Meadow Way

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

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 04.07.22

Peter Christian Møgelberg Hansen
Dirigent

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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 01.01.21 - 31.12.21 for K/S Meadow Way.

The annual report is presented in accordance with the 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 31.12.21 and of the results of the company's activities for the financial year 01.01.21 - 31.12.21.

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, July 4, 2022

Executive Board

Peter Christian Møgelberg Hansen

Independent auditor's report on extended review

To the owners of K/S Meadow Way

Opinion

We have performed an extended review of the financial statements of K/S Meadow Way for the financial year 01.01.21 - 31.12.21 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 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 31.12.21 and the company's financial performance for the financial year 01.01.21 - 31.12.21 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

Without this having affected our opinion, we point out that the operating activities are being discontinued and that the annual report has been prepared with this in mind. The recognition and measurement of the company's assets and liabilities have been changed to net realisable values, and the classification and presentation have also been adjusted. We agree with the management's choice of accounting policies and refer to the description in the accounting policies.

As described in note 1 the tenant Care UK has vacated the property in 2021 and wants to terminate the lease now by paying a lump sum to K/S Meadow Way (surrender of the lease). These negotiations are currently ongoing with the tenant. The investment property is expected to be sold afterwards. These matters lower the fair value of the investment

Independent auditor's report on extended review

property significantly and it is now uncertain to what extent payment from the tenant as well as the sale proceeds will cover the outstanding loan balance. It is expected that the bank will take the payment from surrender of the lease and the proceeds from the sale of the property and write off the remaining loan balance (non-recourse debt).

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.

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

Independent auditor's report on extended review

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.

Slagelse, July 4, 2022

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

Development in activities and financial affairs

The income statement for the period 01.01.21 - 31.12.21 shows a profit/loss of DKK -45,425,705 against DKK'000 6,495 for the period 01.01.20 - 31.12.20. The balance sheet shows equity of DKK -23,770,406.

Significant uncertainty as regards going concern

The tenant Care UK has vacated the property in 2021 and wants to terminate the lease now by paying a lump sum to K/S Meadow Way (surrender of the lease). These negotiations are currently ongoing with the tenant. The investment property is expected to be sold afterwards. These matters lower the fair value of the investment property significantly and it is now uncertain to what extent payment from the tenant as well as the sale proceeds will cover the outstanding loan balance. It is expected that the bank will take the payment from surrender of the lease and the proceeds from the sale of the property and write off the remaining loan balance (non-recourse debt).

Subsequent events

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

Income statement

Note		2021 DKK	2020 DKK '000
	Gross profit	5,863,684	5,617
	Fair value adjustment of investment properties	-41,883,600	849
	Operating profit/loss	-36,019,916	6,466
2	Financial income	6,072	4,627
3	Financial expenses	-9,411,861	-4,598
	Profit/loss for the year	-45,425,705	6,495
Proposed appropriation account			
	Retained earnings	-45,425,705	6,495
	Total	-45,425,705	6,495

Balance sheet

ASSETS			
Note		31.12.21 DKK	31.12.20 DKK '000
	Investment properties	48,732,200	90,616
4	Total property, plant and equipment	48,732,200	90,616
	Total non-current assets	48,732,200	90,616
	Other receivables	11,132	2
	Total receivables	11,132	2
	Cash	1,168,495	567
	Total current assets	1,179,627	569
	Total assets	49,911,827	91,185

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.21 DKK	31.12.20 DKK '000
	Share capital	100,000	100
	Retained earnings	-23,870,406	21,555
	Total equity	-23,770,406	21,655
5	Mortgage debt	71,131,291	66,462
	Total long-term payables	71,131,291	66,462
5	Short-term part of long-term payables	354,416	330
	Payables to group enterprises	1,924,572	2,483
	Other payables	271,954	255
	Total short-term payables	2,550,942	3,068
	Total payables	73,682,233	69,530
	Total equity and liabilities	49,911,827	91,185

6 Fair value information

7 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.21 - 31.12.21			
Balance as at 01.01.21	100,000	21,555,299	21,655,299
Net profit/loss for the year	0	-45,425,705	-45,425,705
Balance as at 31.12.21	100,000	-23,870,406	-23,770,406

1. Information as regards going concern

The tenant Care UK has vacated the property in 2021 and wants to terminate the lease now by paying a lump sum to K/S Meadow Way (surrender of the lease). These negotiations are currently ongoing with the tenant. The investment property is expected to be sold afterwards. These matters lower the fair value of the investment property significantly and it is now uncertain to what extent payment from the tenant as well as the sale proceeds will cover the outstanding loan balance. It is expected that the bank will take the payment from surrender of the lease and the proceeds from the sale of the property and write off the remaining loan balance (non-recourse debt).

	2021 DKK	2020 DKK '000
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2. Financial income

Other interest income	5,550	15
Foreign currency translation adjustments	522	4,612
Total	6,072	4,627

3. Financial expenses

Interest, group enterprises	130,018	70
Other interest expenses	4,287,041	4,356
Foreign currency translation adjustments	4,994,802	172
Total	9,411,861	4,598

4. Property, plant and equipment

Figures in DKK	Investment properties
Cost as at 01.01.21	145,376,084
Cost as at 31.12.21	145,376,084
Fair value adjustments as at 01.01.21	-54,760,284
Fair value adjustments during the year	-41,883,600
Fair value adjustments as at 31.12.21	-96,643,884
Carrying amount as at 31.12.21	48,732,200

5. Long-term payables

	Repayment first year DKK	Outstanding debt after 5 years DKK	Total payables at 31.12.21 DKK	Total payables at 31.12.20 DKK '000
Mortgage debt	354,416	69,713,627	71,485,707	66,792
Total	354,416	69,713,627	71,485,707	66,792

6. Fair value information

Figures in DKK	Investment pro- perties	Total
Fair value as at 31.12.21	48,732,200	48,732,200
Unrealised changes of fair value recognised in the income statement for the year	-41,883,600	-41,883,600

The tenant Care UK has vacated the property in 2021 and wants to terminate the lease now by paying a lump sum to K/S Meadow Way (surrender of the lease). These negotiations are currently ongoing with the tenant. The investment property is expected to be sold afterwards. These matters lower the fair value of the investment property significantly. Therefore the value of the property is determined to £5,5 million as of 31st of December 2021 (compared to £10,2 million as of end of 2020).

7. Charges and security

The company has entered into a loan agreement with Bank of Ireland. The loan is secured through legal charge of the companies' property and rental income. The book value of the mortgaged property is DKK'000 48.732. Furthermore, the company's cash assets have been pledged in favor of the bank. The pledged accounts comprise DKK'000 1.168.

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.

As described in the management's review the company is not expected to be able to continue its operations. Therefore the recognition and measurement of assets and liabilities have been changed to net realisation values. The accounting policies have been applied consistently with previous years, but the rules on recognition, measurement and classification have been applied taking into account that the the company assets and liabilities are expected to be realised as a result of discontinuation of operations. The comparative figures have not been restated.

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 profit

Gross profit comprises rental income and other external expenses.

8. Accounting policies - continued -

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 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.

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

8. Accounting policies - continued -

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.

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.

8. Accounting policies - continued -**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.