

# Kuli Properties A/S

P.L. Brandts Allé 1, 5220 Odense SØ

CVR no. 31 06 10 32

## Annual report 2018

Approved at the Company's annual general meeting on 31 May 2019

Chairman:





Building a better  
working world



## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

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

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Kuli Properties A/S for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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

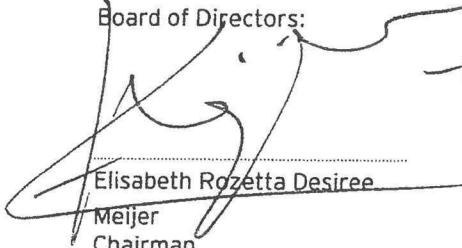
We recommend that the annual report be approved at the annual general meeting.

Odense, 31 May 2019  
Executive Board:

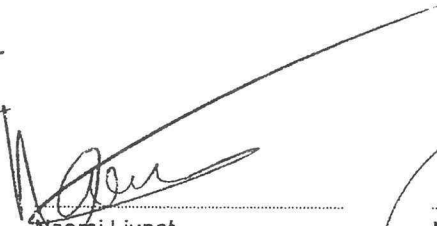


Claus Juel Kromann


Board of Directors:



Elisabeth Rozetta Desiree  
Meijer  
Chairman



Naomi Livnat



Maarten Eduard Vermeer

## Independent auditor's report

To the shareholders of Kuli Properties A/S

### Opinion

We have audited the financial statements of Kuli Properties A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as 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 audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent auditor's report

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

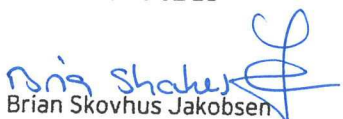
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 31 May 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

  
Brian Skovhus Jakobsen  
State Authorised Public Accountant  
mne27701



## Management's review

### Company details

Name	Kuli Properties A/S
Address, Postal code, City	P.L. Brandts Allé 1, 5220 Odense SØ
CVR no.	31 06 10 32
Established	15 November 2007
Registered office	Odense Kommune
Financial year	1 January - 31 December
Board of Directors	Elisabeth Rozetta Desiree Meijer, Chairman Naomi Livnat Maarten Eduard Vermeer
Executive Board	Claus Juel Kromann
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark



## **Management's review**

### **Business review**

Rival Facilities A/S' primary activities are related to letting of properties to group companies.

### **Financial review**

The income statement for 2018 shows a profit of DKK 2,701,084 against a profit of DKK 2,284,085 last year, and the balance sheet at 31 December 2018 shows equity of DKK 25,665,789.

Management considers the Company's financial performance in the year satisfactory.

The management's expectations for 2019 are in line with 2018.

### **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 January - 31 December

### Income statement

Note	DKK	2018	2017
	Gross margin	4,303,515	3,992,033
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-844,750	-844,750
	Profit before net financials	3,458,765	3,147,283
2	Financial income	13,818	538,795
3	Financial expenses	-9,654	-753,928
	Profit before tax	3,462,929	2,932,150
4	Tax for the year	-761,845	-648,065
	Profit for the year	<u>2,701,084</u>	<u>2,284,085</u>
	Recommended appropriation of profit		
	Retained earnings	<u>2,701,084</u>	<u>2,284,085</u>
		<u>2,701,084</u>	<u>2,284,085</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2018	2017
	<b>ASSETS</b>		
	Fixed assets		
5	Property, plant and equipment		
	Land and buildings	43,524,933	44,369,683
		<u>43,524,933</u>	<u>44,369,683</u>
	<b>Total fixed assets</b>	<u>43,524,933</u>	<u>44,369,683</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	460,962	436,000
	Other receivables	0	2,241,539
		<u>460,962</u>	<u>2,677,539</u>
	<b>Cash</b>	<u>6,174,069</u>	<u>435,908</u>
	<b>Total non-fixed assets</b>	<u>6,635,031</u>	<u>3,113,447</u>
	<b>TOTAL ASSETS</b>	<u>50,159,964</u>	<u>47,483,130</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
6	Share capital	1,990,120	1,990,120
	Retained earnings	23,675,669	20,974,585
	<b>Total equity</b>	<u>25,665,789</u>	<u>22,964,705</u>
	Provisions		
	Deferred tax	2,342,867	2,109,017
	<b>Total provisions</b>	<u>2,342,867</u>	<u>2,109,017</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group enterprises	19,540,793	19,540,793
	Corporation tax payable	527,995	411,223
	Other payables	2,082,520	2,457,392
		<u>22,151,308</u>	<u>22,409,408</u>
	<b>Total liabilities other than provisions</b>	<u>22,151,308</u>	<u>22,409,408</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>50,159,964</u>	<u>47,483,130</u>

- 1 Accounting policies
- 7 Collateral
- 8 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	1,990,120	18,690,500	20,680,620
Transfer through appropriation of profit	0	2,284,085	2,284,085
<b>Equity at 1 January 2018</b>	<b>1,990,120</b>	<b>20,974,585</b>	<b>22,964,705</b>
Transfer through appropriation of profit	0	2,701,084	2,701,084
<b>Equity at 31 December 2018</b>	<b>1,990,120</b>	<b>23,675,669</b>	<b>25,665,789</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Kuli Properties A/S for 2018 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

##### Revenue

Income from the rent of real estate, is recognised in revenue at the time when the rent is due and provided that the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross margin

The items revenue and external expenses have been aggregated into one item in the income statement called gross margin 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.

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	30-50 years
--------------------	-------------

##### 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.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

### Balance sheet

#### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

#### 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.

#### Equity

##### Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2018	2017
<b>2 Financial income</b>		
Interest receivable, group entities	0	9,660
Other financial income	13,818	529,135
	<u>13,818</u>	<u>538,795</u>
<b>3 Financial expenses</b>		
Interest expenses, group entities	0	753,928
Other financial expenses	9,654	0
	<u>9,654</u>	<u>753,928</u>
<b>4 Tax for the year</b>		
Estimated tax charge for the year	527,995	411,223
Deferred tax adjustments in the year	233,850	236,842
	<u>761,845</u>	<u>648,065</u>
<b>5 Property, plant and equipment</b>		
DKK		<u>Land and buildings</u>
Cost at 1 January 2018		51,952,171
Cost at 31 December 2018		51,952,171
Impairment losses and depreciation at 1 January 2018		7,582,488
Depreciation		844,750
Impairment losses and depreciation at 31 December 2018		8,427,238
Carrying amount at 31 December 2018		<u>43,524,933</u>

Note 7 provides more details on security for loans, etc. as regards property, plant and equipment.

### 6 Share capital

The Company's share capital has remained DKK 1,990,120 in the past year.

### 7 Collateral

The company has mortgage deeds registered amounting to DKK 43.546 thousand. The deeds are not held as security for any engagements as of 31 December 2018.

### 8 Related parties

#### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Kuli Properties B.V.	Dordrecht, Netherland	Parklaan 9, 3016 BA, Rotterdam, Netherland