# Deloitte.

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# Nymøllevej ApS

Nymøllevej 6 3540 Lynge Business Registration No 31155231

Annual report 01.05.2017 - 30.04.2018

The Annual General Meeting adopted the annual report on 28.09.2018

# Chairman of the General Meeting Name: Lars Nørgaard

# **Contents**

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017/18	7
Balance sheet at 30.04.2018	8
Statement of changes in equity for 2017/18	10
Notes	11
Accounting policies	13

# **Entity details**

# **Entity**

Nymøllevej ApS Nymøllevej 6 3540 Lynge

Central Business Registration No (CVR): 31155231

Registered in: Allerød

Financial year: 01.05.2017 - 30.04.2018

# **Executive Board**

Lars Nørgaard, CEO Søren Erik Westermann Anders Steen Westermann Jan Tøpholm

## **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 Postboks 1600 0900 København C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Nymøllevej ApS for the financial year 01.05.2017 - 30.04.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2018 and of the results of its operations for the financial year 01.05.2017 - 30.04.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Lynge, 24.09.2018

## **Executive Board**

Lars Nørgaard CEO Søren Erik Westermann

Anders Steen Westermann

Jan Tøpholm

# **Independent auditor's report**

# To the shareholder of Nymøllevej ApS Opinion

We have audited the financial statements of Nymøllevej ApS for the financial year 01.05.2017 - 30.04.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 30.04.2018 and of the results of its operations for the financial year 01.05.2017 - 30.04.2018 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 these 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:

# Independent auditor's report

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 Entity's internal control.
- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
  disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

# **Independent auditor's report**

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

Copenhagen, 24.09.2018

# **Deloitte**

Statsautoriseret Revisionspartnerselskab Central Business Registration No (CVR) 33963556

Nikolaj Thomsen State Authorised Public Accountant Identification No (MNE) mne33276 Bjarne Iver Jørgensen State Authorised Public Accountant Identification No (MNE) mne35659

# **Management commentary**

## **Primary activities**

The Company's main purpose is investment activity, including the operation of domicile property.

# **Development in activities and finances**

Gross profit for the year amounts to DKK 46.287 thousands. The ordinary result after tax amounts to DKK 26.288 thousands. Profit for the year corresponds to management's expectations.

The Company's properties are to a significant extent adapted as they are leased to another subsidiary in the Group, which operates its activities from the properties. The lease is non-terminable until 2038.

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

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# **Income statement for 2017/18**

	<u>Notes</u>	2017/18 DKK'000	2016/17 DKK'000
Gross profit		46.287	45.427
Depreciation, amortisation and impairment losses  Operating profit/loss		(7.445) <b>38.842</b>	(7.445) <b>37.982</b>
Other financial income Other financial expenses Profit/loss before tax	1	2.761 (7.900) <b>33.703</b>	2.531 (911) <b>39.602</b>
Tax on profit/loss for the year	2	(7.415)	(8.713)
Profit/loss for the year		26.288	30.889
Proposed distribution of profit/loss Ordinary dividend for the financial year		25.000	400.000
Retained earnings		1.288	(369.111)
		26.288	30.889

# **Balance sheet at 30.04.2018**

		2017/18	2016/17
	Notes	<b>DKK'000</b>	<b>DKK'000</b>
Land and buildings		811.011	815.581
Property, plant and equipment	3	811.011	815.581
Fixed assets		811.011	815.581
Receivables from group enterprises		63.161	415.977
Prepayments		23_	23
Receivables		63.184	416.000
Cash		116	11.059
Comment			
Current assets		63.300	427.059
Assets		874.311	1.242.640
		0, 1.511	112 12:040

# **Balance sheet at 30.04.2018**

	Notes	2017/18 DKK'000	2016/17 DKK'000
Contributed capital		343.125	343.125
Retained earnings		4.497	2.243
Proposed dividend		25.000	400.000
Equity		372.622	745.368
Deferred tax		58.369	53.448
Provisions		58.369	53.448
Mortgage debt		369.899	371.042
Deposits		69.666	68.300
Non-current liabilities other than provisions	4	439.565	439.342
Deposits		11	11
Trade payables		30	0
Income tax payable		2.766	2.852
Other payables		948	1.619
Current liabilities other than provisions		3.755	4.482
Liabilities other than provisions		443.320	443.824
Equity and liabilities		874.311	1.242.640
Financial instruments	5		
Contingent liabilities	6		
Assets charged and collateral	7		

# Statement of changes in equity for 2017/18

	Contributed	Retained	Proposed	
	capital	earnings	dividend	Total
	DKK'000	DKK'000	DKK'000	DKK'000
Equity				
beginning of	343.125	2.243	400.000	745.368
year				
Ordinary	0	0	(400,000)	(400,000)
dividend paid	0	0	(400.000)	(400.000)
Fair value				
adjustments of	0	066	0	966
hedging	0	966	966 0	
instruments				
Profit/loss for	0	1 200	25.000	26.200
the year		1.288	25.000	26.288
Equity end of	343.125	4.497	25.000	372.622
year		4.437		<b>372.022</b>

# **Notes**

	2017/18 DKK'000	2016/17 DKK'000
1. Other financial income		
Financial income arising from group enterprises	2.761	2.531
	2.761	2.531
	2017/18	2016/17
_	DKK'000	DKK'000
2. Tax on profit/loss for the year		
Current tax	2.766	2.852
Change in deferred tax	4.649	5.861
_	7.415	8.713
		Land and
		buildings
		DKK'000
3. Property, plant and equipment		
Cost beginning of year		837.915
Additions		2.875
Cost end of year		840.790
Depreciation and impairment lesses beginning of year		(22.224)
Depreciation and impairment losses beginning of year		(22.334)
Depreciation for the year		(7.445)
Depreciation and impairment losses end of year		(29.779)
Carrying amount end of year		811.011
		Outstanding
		after 5 years
		DKK'000
4. Liabilities other than provisions		
Mortgage debt		369.899
Deposits		69.666
		439.565

# 5. Financial instruments

The Company has a policy regarding interest rate on significant long-term loans risks for which this is to be limited. The policy is respected by either raising fixed rate loans or by hedging the interest rate risk on a floating rate loan with an interest rate swap that converts the variable rate to a fixed rate.

# **Notes**

The company has entered into an interest rate swap agreement to limit interest rate risk on floating-rate mortgages with a residual debt of DKK 369.899 thousands to expire in 2047. There are two interest rate swap agreement both with outstanding debt of DKK 183.303 thousands each, one that expires in 2027 and the other to expire in 2037. Changes in market value of the interest rate swap is recognized directly in equity.

## 6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Widex Holding A/S serves as the administration company. According to the joint taxation provi-sions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial state-ments.

# 7. Assets charged and collateral

Mortgage debt is secured by way of a deposited mortgage deed registered to the mortgagor on properties of DKK 811.011 thousands as per 30 April 2018.

# **Accounting policies**

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

#### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

#### **Income statement**

## **Gross profit or loss**

Gross profit or loss comprises revenue and external expenses.

## Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises and administration.

# Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property.

# Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

## Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

# **Accounting policies**

## Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

#### **Balance sheet**

## Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings 50 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

# Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

## **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### Cash

Cash comprises cash in hand and bank deposits.

# **Accounting policies**

#### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

#### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

# Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

## Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

# Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.