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# Ribegade 8-10 ApS

Industrivej 6 C, 8660 Skanderborg

Company reg. no. 32 26 42 63

**Annual report** 

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 25 March 2022.

Kim Andersen Chairman of the meeting





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- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
  Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



# Management's statement

Today, the Managing Director has approved the annual report of Ribegade 8-10 ApS for the financial year 1 January - 31 December 2021.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Skanderborg, 25 March 2022

# **Managing Director**

Kim Andersen



#### To the Shareholder of Ribegade 8-10 ApS

#### **Opinion**

We have audited the financial statements of Ribegade 8-10 ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 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 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 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 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.



# **Independent auditor's report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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 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 Management's Review

Management is responsible for Management's Review.

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



# **Independent auditor's report**

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Fredericia, 25 March 2022

#### **RSM Danmark**

Statsautoriseret Revisionspartnerselskab Company reg. no. 25 49 21 45

Søren Fricke State Authorised Public Accountant mne34262



# **Company information**

The company Ribegade 8-10 ApS

Industrivej 6 C 8660 Skanderborg

Company reg. no. 32 26 42 63

Financial year: 1 January - 31 December

Managing Director Kim Andersen

Auditors RSM Danmark Statsautoriseret Revisionspartnerselskab

Prinsessegade 60 7000 Fredericia

Parent company KD Projekt ApS



# **Management's review**

# The principal activities of the company

The main activity of the company is lease of investment properties.

#### **Unusual matters**

No unusual circumstances have affected recognition or measurement.

# Uncertainties as to recognition or measurement

No material uncertainty has affected the recognition or measurement.

# Development in activities and financial matters

The company has realized a profit of approx. 1.8 million DKK on sale of shares in subsidiaries.

Apart from this was the results and financial development of the company were as expected.

# Events subsequent to the financial year

After the end of the financial year, no events have occurred that could materially affect the financial position of the company.



# **Income statement 1 January - 31 December**

Note	2021	2020
Gross profit	960.811	464.577
Value adjustment of investment property	-3.580.637	-4.853.237
Profit before net financials	-2.619.826	-4.388.660
Income from equity investments in subsidiaries	1.780.000	0
Other financial income	1.435	1.712
Other financial costs	-472.205	-493.358
Pre-tax net profit or loss	-1.310.596	-4.880.306
Tax on ordinary results	699.687	1.063.605
Net profit or loss for the year	-610.909	-3.816.701
Proposed appropriation of net profit:		
Allocated from retained earnings	-610.909	-3.816.701
Total allocations and transfers	-610.909	-3.816.701



# **Balance sheet at 31 December**

Assets		
Note	2021	2020

	Non-current assets		
2	Investment property	19.700.000	29.300.000
	Total property, plant, and equipment	19.700.000	29.300.000
	Total non-current assets	19.700.000	29.300.000

Current assets		
Trade receivables	40.163	13.553
Receivables from subsidiaries	4.984.522	0
Other receivables	5.007.269	50.170
Total receivables	10.031.954	63.723

Cash on hand and demand deposits	1.200.000	400.000

Total current assets	11.231.954	463.723
Total assets	30.931.954	29.763.723



# **Balance sheet at 31 December**

	Equity and liabilities		
Note		2021	2020
	Equity		
	Contributed capital	800.000	501.000
	Share premium account	2.541.500	0
	Retained earnings	1.926.710	3.017.619
	Total equity	5.268.210	3.518.619
	Provisions		
	Provisions for deferred tax	2.476.436	3.855.174
	Total provisions	2.476.436	3.855.174
	Long term labilities other than provisions		
	Mortgage debt	10.358.252	14.553.477
	Deposits	266.505	414.946
3	Total long term liabilities other than provisions	10.624.757	14.968.423
3	Current portion of long term payables	4.292.898	448.147
	Bank debts	459.128	596.965
	Trade payables	37.500	101.586
	Payables to group enterprises	0	6.203.439
	Income tax payable	679.030	7.656
	Other payables	7.093.995	63.714
	Total short term liabilities other than provisions	12.562.551	7.421.507
	Total liabilities other than provisions	23.187.308	22.389.930
	Total equity and liabilities	30.931.954	29.763.723

- 1 Special items
- 4 Charges and security
- 5 Contingencies



# **Statement of changes in equity**

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2020	501.000	0	6.834.320	7.335.320
Profit or loss for the year brought forward	0	0	-3.816.701	-3.816.701
Equity 1 January 2021	501.000	0	3.017.619	3.518.619
Cash capital increase	299.000	2.541.500	0	2.840.500
Profit or loss for the year brought forward	0	0	-610.909	-610.909
Elimination of internal profit on				
investments	0	0	-480.000	-480.000
	800.000	2.541.500	1.926.710	5.268.210



All amounts in DKK.

### 1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

		2021	2020
	Income:		
	Profit from sale of shares in subsidiaries	1.780.000	0
		1.780.000	0
	Special items are recognised in the following items in the financial statements:		
	Income from equity investments in subsidiaries	1.780.000	0
	Profit of special items, net	1.780.000	0
2.	Investment property		
	Cost 1 January	11.526.701	10.923.464
	Additions during the year	974.137	603.237
	Disposals during the year	-4.302.728	0
	Cost 31 December	8.198.110	11.526.701
	Fair value adjustment 1 January	17.773.299	22.626.536
	Adjust of the year to fair value	-2.707.054	-4.853.237
	Adjustment to fair value, assets disposed of	-3.564.355	0
	Fair value adjustment 31 December	11.501.890	17.773.299
	Carrying amount, 31 December	19.700.000	29.300.000



All amounts in DKK.

# 2. Investment property (continued)

A determination of the return from the individual properties is based on the expected rental income from fully leased properties less expected operating costs, administration costs, and maintenance costs. The subsequent value is adjusted for recognised vacant-period lease for a reasonable period of time and expected costs of improvements and large maintenance projects, etc., plus added deposits and prepaid lease payments.

The required rate of return has been determined on the basis of market statistics, completed transactions, and management's knowledge of the property market in general. When determining the required rate of return, parameters such as type (residence, office, shop, etc.), location, age, state of maintenance, duration of rental agreements, and tenant credit quality, etc., are considered.

Compared to the previous financial year, the methods of measurement remain unchanged.

The determination of the market value (carrying value) is based on the following rates of return:

Weighted average rate of return	5,25 %
Highest rate of return	5,25 %
Lowest rate of return	5,25 %

#### Sensitivity analysis:

Changes in the rates of return have a material effect on the measurement of investment properties. An increase in the rate of return could mean a decrease in market value. The market development may result in changed requirements to the return on real property.

An increase of the required rate of return by 1 percentage point would mean a reduction of the value of the investment properties of DKK 2.900.000. As a result, the equity would be reduced from the present DKK 5.268.000 to DKK 3.000.000.

# 3. Liabilities other than provision

	Total payables 31 Dec 2021	portion of long term payables	payables 31 Dec 2021	payables after 5 years
Mortgage debt	14.553.476	4.195.224	10.358.252	9.232.553
Deposits	364.179	97.674	266.505	266.505
	14.917.655	4.292.898	10.624.757	9.499.058





All amounts in DKK.

# 4. Charges and security

As security for mortgage debts, DKK 13.044.000, mortgage has been granted on Investment property representing a book value of DKK 19.700.000 at 31 December 2021

### 5. Contingencies

# **Contingent liabilities**

None

#### Joint taxation

With Davidson Holding ApS, company reg. no 40 93 45 61 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.



# **Accounting policies**

The annual report for Ribegade 8-10 ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

#### Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

# Income statement

#### **Gross profit**

Gross profit comprises the lease income, costs and other external costs.

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Other external costs comprise costs incurred for administration..

Costs concerning investment properties comprise operation costs, repair and maintenance costs, taxes, charges and other costs. Costs concerning the heating accounts are recognised in the balance sheet as a balance among the lessees.



### Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and gain or loss from disposal of properties.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

#### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

# The balance sheet

#### **Investment property**

At the first recognition, investment property is measured at cost, comprising the cost of the property and directly attached costs, if any.

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a return-based model, by which the expected future cash flows for the next year along with a rate of return determined by an external assessor form the basis for the fair value of the properties. Compared to the latest financial year, the method of measurement used remains unchanged.

Costs which add new or improved qualities to an investment property compared to its condition at the time of acquisition and which thereby improves the future return on the property are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the profit and loss account in the item "Costs concerning investment property".

Like other material fixed assets, except from land, investment property has a limited life financial life. The impairment taking place concurrently with the aging of the investment property is reflected in the current measuring of the investment property at fair value.



# **Accounting policies**

Value adjustments are recognised in the profit and loss account in the item "Value adjustments of property".

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

#### Available funds

Available funds comprise cash at bank and in hand.

#### **Equity**

#### **Share premium**

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity.

#### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Ribegade 8-10 ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.





# Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.