

Tandrup Kollegiet ApS

Gl. Strandvej 216, 3050 Humlebæk

Company reg. no. 32 78 17 80

Annual report

1 July 2017 - 30 June 2018

The annual report have been submitted and approved by the general meeting on the 6 September 2018.



Anders Tandrup
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

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Management's report

The executive board has today presented the annual report of Tandrup Kollegiet ApS for the financial year 1 July 2017 to 30 June 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 30 June 2018 and of the company's results of its activities in the financial year 1 July 2017 to 30 June 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Humblebæk, 5 September 2018

Executive board



Andreas Christian Tandrup



Anders Tandrup

Independent auditor's report

To the shareholders of Tandrup Kollegiet ApS

Opinion

We have audited the annual accounts of Tandrup Kollegiet ApS for the financial year 1 July 2017 to 30 June 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 June 2018 and of the results of the company's operations for the financial year 1 July 2017 to 30 June 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review,

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 5 September 2018

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36



Claus Carlsen
State Authorised Public Accountant
MNE-nr. 23451

Company data

The company

Tandrup Kollegiet ApS
Gl. Strandvej 216
3050 Humlebæk

Company reg. no. 32 78 17 80
Established: 3 March 2010
Domicile:
Financial year: 1 July - 30 June

Executive board

Andreas Christian Tandrup
Anders Tandrup

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

HACA Holding ApS

Management's review

The principal activities of the company

The company's main activity is to conduct business related to the possession of real estate and hereby related business.

Development in activities and financial matters

The gross profit for the year is DKK 1.126 against DKK 1.022 last year. The results from ordinary activities after tax are DKK 3.292 against DKK 2.470 last year. The management consider the results satisfactory.

Uncertainties as to recognition or measurement

The investment property is measured at fair value in the annual report based on a return model. As a basis for the statement, management has obtained indications of market returns of similar properties. On a market-based yield requirement of 4,05%, the fair value of the property is m.DKK 28,2 m. Changing the yield requirement upwards or downwards by 0,25% will affect the property by approximately m.DKK-1,6 and approx. m.DKK 1,9.

Profit and loss account 1 July - 30 June

Amounts concerning 2017/18: DKK.

Amounts concerning 2016/17: DKK in thousands.

<u>Note</u>	<u>2017/18</u>	<u>2016/17</u>
Gross profit	1.126.249	1.022
Value adjustment of investment property	0	2.860
1 Staff costs	-132.412	-144
Operating profit	993.837	3.738
Other financial income	3.205.587	39
2 Other financial costs	-872.073	-611
Results before tax	3.327.351	3.166
Tax on ordinary results	-35.046	-696
Results for the year	3.292.305	2.470
 Proposed distribution of the results:		
Allocated to results brought forward	3.292.305	2.470
Distribution in total	3.292.305	2.470

Balance sheet 30 June

Amounts concerning 2018: DKK.

Amounts concerning 2017: DKK in thousands.

Assets		
<u>Note</u>	<u>2018</u>	<u>2017</u>
Fixed assets		
3 Investment property	28.150.000	28.150
Tangible fixed assets in total	<u>28.150.000</u>	<u>28.150</u>
4 Equity investments in associated enterprises	0	66
Financial fixed assets in total	<u>0</u>	<u>66</u>
Fixed assets in total	<u>28.150.000</u>	<u>28.216</u>
Current assets		
Amounts owed by group enterprises	65.801	0
Amounts owed by associated enterprises	0	733
Other debtors	845.638	25
Accrued income and deferred expenses	19.237	18
Debtors in total	<u>930.676</u>	<u>776</u>
Available funds	611.364	115
Current assets in total	<u>1.542.040</u>	<u>891</u>
Assets in total	<u>29.692.040</u>	<u>29.107</u>

Balance sheet 30 June

Amounts concerning 2018: DKK.

Amounts concerning 2017: DKK in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Equity and liabilities		
Equity		
5 Contributed capital	80.000	80
Results brought forward	8.991.973	5.700
Equity in total	9.071.973	5.780
Provisions		
Provisions for deferred tax	1.933.000	1.933
Provisions in total	1.933.000	1.933
Liabilities		
Mortgage debt	17.251.713	17.252
Deposits	709.595	739
Corporate tax	34.848	0
Long-term liabilities in total	17.996.156	17.991
Bank debts	0	2.834
Trade creditors	22.500	21
Debt to group enterprises	0	29
Corporate tax	455.862	456
Other debts	201.671	33
Accrued expenses and deferred income	10.878	30
Short-term liabilities in total	690.911	3.403
Liabilities in total	18.687.067	21.394
Equity and liabilities in total	29.692.040	29.107

6 Mortgage and securities

7 Contingencies

Notes

Amounts concerning 2017/18: DKK.

Amounts concerning 2016/17: DKK in thousands.

	<u>2017/18</u>	<u>2016/17</u>
1. Staff costs		
Salaries and wages	110.720	123
Pension costs	17.952	18
Other costs for social security	3.740	3
	<u>132.412</u>	<u>144</u>
Average number of employees	<u>1</u>	<u>1</u>
2. Other financial costs		
Financial costs, group enterprises	0	28
Other financial costs	872.073	583
	<u>872.073</u>	<u>611</u>

Notes

Amounts concerning 2017/18: DKK.

Amounts concerning 2016/17: DKK in thousands.

	<u>30/6 2018</u>	<u>30/6 2017</u>
3. Investment property		
Cost 1 July 2017	19.434.037	19.434
Cost 30 June 2018	<u>19.434.037</u>	<u>19.434</u>
Fair value adjustment 1 July 2017	8.715.963	5.856
Adjustment of the year to fair value	0	2.860
Fair value adjustment 30 June 2018	<u>8.715.963</u>	<u>8.716</u>
Book value 30 June 2018	<u>28.150.000</u>	<u>28.150</u>

A determination of the return from the individual properties is based on the expected rental income by fully leased property. Expected operating costs, administration costs and maintenance costs are deducted. The subsequent value is adjusted in respect of recognised lack of lease for a reasonable period and expected costs for decoration and large maintenance projects etc. Likewise, deposits and prepaid lease are added. The rates of return have been fixed on the basis of external brokers' evaluation of the market level.

Compared to the latest financial year, the methods of measurement used have not been changed.

The fixing of the market value (book value) is based on the following rates of return:

Weighted average rate of return	4,05%
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Sensitivity analysis:

Changes in the rates of return have a material effect on the measuring of investment property. An increase in rate of return could mean a decrease of 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 that the value of the investment properties is reduced by t.DKK 1.637. Consequently, the equity would be reduced from the present t.DKK 9.072 to t.DKK 4.621.

Notes

Amounts concerning 2018: DKK.

Amounts concerning 2017: DKK in thousands.

	30/6 2018	30/6 2017
4. Equity investments in associated enterprises		
Acquisition sum, opening balance 1 July 2017	65.801	66
Disposals during the year	-65.801	0
Cost 30 June 2018	0	66
Book value 30 June 2018	0	66

5. Equity

	Contributed capital	Results brought forward	Total
Equity 1 July 2017	80.000	5.699.668	5.779.668
Profit or loss for the year brought forward	0	3.292.305	3.292.305
Egenkapital 30. juni 2018	80.000	8.991.973	9.071.973

6. Mortgage and securities

As security for mortgage debts, t.DKK 17.201, mortgage has been granted on land and buildings representing a book value of t.DKK 28.150 at 30 June 2018.

7. Contingencies

Contingent liabilities

The company's property is listed as a publicly aided subsidized housing, therefore the property is subject to a reimbursement obligation if the use of the property is changed.

Joint taxation

The company is subject to the Danish scheme of joint taxation with Johs. Tandrup Metalvarefabrik Holding A/S being the administration company, and is proportionally liable for tax claims within the joint taxation scheme starting from the fiscal year 2012.

Notes

Amounts concerning 2017/18: DKK.

Amounts concerning 2016/17: DKK in thousands.

• **Contingencies (continued)**

Joint taxation (continued)

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Accounting policies used

The annual report for Tandrup Kollegiet ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

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

The profit and loss account

Gross profit

The gross profit comprises revenue from sales, deducted costs regarding the investment property and external costs.

Rental income from investment property

Rental income comprises income from the lease of property and from charged joint costs, and it is recognised in the profit and loss account for the period relating to the lease payment. Income from the heating account is recognised in the balance sheet as a balance among the lessees.

Accounting policies used

Other external costs comprise costs for administration.

Costs concerning investment properties

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.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investments in associated enterprises is recognised in the financial year where the dividend is declared.

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.

Accounting policies used

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.

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

Financial fixed assets

Equity investments in associated enterprises

Equity investments in associated enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Accounting policies used

According to the rules of joint taxation, Tandrup Kollegiet ApS is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.