Kinnerton Properties ApS

Hammerensgade 6, DK-1267 København K

Annual Report for
1 July 2023 - 30 June 2024

CVR No. 35 66 90 00

The Annual Report was presented and adopted at the Annual General Meeting of the company on 21/8 2024

Jens Bisgaard-Frantzen
Chairman of the general meeting

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Management's statement

The Executive Board has today considered and adopted the Annual Report of Kinnerton Properties ApS for the financial year 1 July 2023 - 30 June 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 30 June 2024 of the Company and of the results of the Company operations for 2023/24.

I recommend that the Annual Report be adopted at the Annual General Meeting.

København K, 21 August 2024

Executive Board

Jens Bisgaard-Frantzen

Independent Auditor's report

To the shareholder of Kinnerton Properties ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2024 and of the results of the Company´s operations for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Kinnerton Properties ApS for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

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.

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.

- 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.

Hellerup, 21 August 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Søren Alexander
State Authorised Public Accountant
mne42824

Kasper Ladekjær
State Authorised Public Accountant
mne50738

Company information

The Company	Kinnerton Properties ApS Hammerensgade 6 DK-1267 København K
	CVR No: 35 66 90 00
	Financial period: 1 July 2023 - 30 June 2024
	Municipality of reg. office: København K
Executive Board	Jens Bisgaard-Frantzen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income statement 1 July 2023 - 30 June 2024

	Note	2023/24	2022/23
		DKK	DKK
Gross profit before value adjustments		**365,711**	**207,685**
Value adjustments of assets held for investment		100,000	-2,100,000
Gross profit after value adjustments		**465,711**	**-1,892,315**
Financial expenses		-251,020	-175,750
Profit/loss before tax		**214,691**	**-2,068,065**
Tax on profit/loss for the year		0	0
Net profit/loss for the year		**214,691**	**-2,068,065**

Distribution of profit

	2023/24	2022/23
	DKK	DKK
Proposed distribution of profit		
Retained earnings	214,691	-2,068,065
	214,691	**-2,068,065**

Balance sheet 30 June 2024

Assets

	Note	2023/24	2022/23
		DKK	DKK
Investment properties		9,500,000	9,400,000
Property, plant and equipment	3	**9,500,000**	**9,400,000**
Fixed assets		**9,500,000**	**9,400,000**
Other receivables		14,318	0
Prepayments		36,414	35,950
Receivables		**50,732**	**35,950**
Cash at bank and in hand		**310,377**	**449,675**
Current assets		**361,109**	**485,625**
Assets		**9,861,109**	**9,885,625**

Balance sheet 30 June 2024

Liabilities and equity

	Note	2023/24	2022/23
		DKK	DKK
Share capital		3,000,000	3,000,000
Retained earnings		2,441,114	2,226,423
Equity		**5,441,114**	**5,226,423**
Credit institutions		3,938,500	4,112,500
Long-term debt	4	**3,938,500**	**4,112,500**
Credit institutions	4	174,000	174,000
Trade payables		43,750	109,487
Deposits		257,694	256,387
Other payables		6,051	6,828
Short-term debt		**481,495**	**546,702**
Debt		**4,419,995**	**4,659,202**
Liabilities and equity		**9,861,109**	**9,885,625**
Key activities	1		
Staff	2		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 July	3,000,000	2,226,423	5,226,423
Net profit/loss for the year	0	214,691	214,691
Equity at 30 June	**3,000,000**	**2,441,114**	**5,441,114**

Notes to the Financial Statements

1. Key activities

The company's main activity is to invest in real estate property as well as other related activites.

2. Staff

	2023/24	2022/23
Average number of employees	1	1

3. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 July	6,596,492
Cost at 30 June	6,596,492
Value adjustments at 1 July	2,803,508
Revaluations for the year	100,000
Value adjustments at 30 June	2,903,508
Carrying amount at 30 June	**9,500,000**

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The determination of fair value is based a return-based model, and Management uses accounting estimates when determining the fair value. The use of accounting estimates implies that the statement of fair value is subject to some uncertainty. The fair value is stated based on assumptions that Management considers probable and realistic. Management reassesses assumptions on a current basis, and any changes to the assumptions are reflected in the fair value.

The fair value of investment properties has been calculated based on the following assumptions:

	2023/24	2022/23
	DKK	DKK
The fair value of investment properties amounts to	9,500,000	9,400,000
Value adjustment, income statement	100,000	-2,100,000
Market yield	5,25 - 5,75%	5,25 - 5,75%
Net operating income	512,500	502,500

The investment property is located in Ringkøbing and there is budget to be zero vacancy in the return based valuation model.

Sensitivity in determination of fair value of investment properties

An rate of return in the range of 5,25% - 5,75% has been applied in the market value assessment at 30 June.

The changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in	-0,25%	Base	0.25%
	DKK	DKK	DKK
Rate of return	5.25	5.5	5.75
Fair value	9,952,381	9,500,000	9,086,957
Change in fair value	452,381	0	-413,043

	2023/24	2022/23
	DKK	DKK

4. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2023/24	2022/23
Credit institutions		
After 5 years	3,242,500	3,416,500
Between 1 and 5 years	696,000	696,000
Long-term part	3,938,500	4,112,500
Other short-term debt to credit institutions	174,000	174,000
	4,112,500	**4,286,500**

5. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

	2023/24	2022/23
Investment properties with a carrying amount of	9,500,000	9,400,000

Notes to the Financial Statements

6. Accounting policies

The Annual Report of Kinnerton Properties ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Rental income

Revenue from rental income is recognised in the income statement at amounts relating to the financial year when revenue can be measured reliably and it is probable that the economic benefits will flow to the Company.

Revenue is measured at the consideration received and is recognised net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of rental income and other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Notes to the Financial Statements

Property, plant and equipment

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and supsuppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The valuation is not based on the statement from an external assessor.

The estimates applied are based on historical information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Return-based valuation model

The fair value of investment properties has been determined at 30 June 2024 for each property by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the property. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums and subscriptions.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.