Statsautoriseret
Revisionspartnerselskab

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# Romark Properties ApS

**c/o Salling Ejendomsadministration A/S, Søren Frichs Vej 38 A, 8230 Åbyhøj**

**Company reg. no. 36 50 76 59**

## Annual report

## 1 March 2017 - 28 February 2018

The annual report have been submitted and approved by the general meeting on the 12 July 2018.

John Stuart Ross
Chairman of the meeting

## Contents



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 %.

## Management's report

The board of directors and the managing director have today presented the annual report of Romark Properties ApS for the financial year 1 March 2017 to 28 February 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 28 February 2018 and of the company's results of its activities in the financial year 1 March 2017 to 28 February 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.

Åbyhøj, 13 June 2018

**Managing Director**

John Stuart Ross

**Board of directors**

Douglas Garth Ross

John Stuart Ross

# Independent auditor's report

**To the shareholders of Romark Properties ApS**

**Opinion**

We have audited the annual accounts of Romark Properties ApS for the financial year 1 March 2017 to 28 February 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 28 February 2018 and of the results of the company's operations for the financial year 1 March 2017 to 28 February 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:

- 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.

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.

Aarhus, 13 June 2018

**BRANDT**
Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Preben Dunker
State Authorised Public Accountant
MNE-nr. 9228

# Company data

| | | |
|---|---|---|
| **The company** | Romark Properties ApS<br>c/o Salling Ejendomsadministration A/S<br>Søren Frichs Vej 38 A<br>8230 Åbyhøj | |
| | Company reg. no. | 36 50 76 59 |
| | Established: | 3 February 2015 |
| | Financial year: | 1 March - 28 February |
| **Board of directors** | Douglas Garth Ross<br>John Stuart Ross | |
| **Managing Director** | John Stuart Ross | |
| **Auditors** | BRANDT, Statsautoriseret Revisionspartnerselskab<br>Søren Frichs Vej 36 L<br>8230 Åbyhøj | |
| **Parent company** | Roprops No 1 Limited | |

# Management's review

**The principal activities of the company**

The company's objects is to invest in, own, operate and lease out real estate in Denmark, and all activities deemed to be releated thereto by the board of directors.

**Development in activities and financial matters**

The gross profit for the year is DKK 1.435.000 against DKK 1.551.000 last year. The results from ordinary activities after tax are DKK 559.000 against DKK 587.000 last year. The management consider the results satisfactory.

## Accounting policies used

The annual report for Romark Properties 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 rental income and external costs.

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.

Other external costs comprise costs for administration.

## Accounting policies used

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.

**Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets.

**Net financials**

Net financials comprise interest. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

**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

**Tangible fixed assets**

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and re-evaluated annually. If the residual value exceeds the book value of the asset, the depreciation expires.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

## Accounting policies used

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

| | *Useful life* |
|---|---|
| *Buildings* | *50 years* |
| *Other plants, operating assets, fixtures and furniture* | *5 years* |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

**Investment property**

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

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".

**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.

**Available funds**

Available funds comprise cash at bank.

**Equity**

**Share premium**

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

# Accounting policies used

**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.

According to the rules of joint taxation, Romark Properties ApS is unlimited, jointly and severally 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**

Liabilities relating to investment properties are measured at amortised cost.

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.

## Profit and loss account 1 March - 28 February

All amounts in DKK.

| Note | | 2017/18 | 2016/17 |
|---|---|---|---|
| | **Gross profit** | **1.435.207** | **1.551.199** |
| | Depreciation and writedown relating to tangible fixed assets | -212.597 | -210.368 |
| | **Operating profit** | **1.222.610** | **1.340.831** |
| | Other financial income | 1.799 | 0 |
| 1 | Other financial costs | -632.215 | -819.508 |
| | **Results before tax** | **592.194** | **521.323** |
| | Tax on ordinary results | -32.770 | 66.000 |
| | **Results for the year** | **559.424** | **587.323** |
| | | | |
| | **Proposed distribution of the results:** | | |
| | Allocated to results brought forward | 559.424 | 587.323 |
| | **Distribution in total** | **559.424** | **587.323** |

## Balance sheet 28 February

All amounts in DKK.

**Assets**

| Note | | 2018 | 2017 |
|---|---|---|---|
| | **Fixed assets** | | |
| | Other plants, operating assets, and fixtures and furniture | 24.898 | 34.857 |
| 2 | Investment property | 18.392.191 | 18.427.602 |
| | Tangible fixed assets in total | 18.417.089 | 18.462.459 |
| | **Fixed assets in total** | **18.417.089** | **18.462.459** |
| | **Current assets** | | |
| | Trade debtors | 20.243 | 0 |
| | Deferred tax assets | 33.230 | 66.000 |
| | Other debtors | 74.449 | 69.183 |
| | Accrued income and deferred expenses | 38.754 | 38.116 |
| | Debtors in total | 166.676 | 173.299 |
| | Available funds | 94.342 | 1.242.078 |
| | **Current assets in total** | **261.018** | **1.415.377** |
| | **Assets in total** | **18.678.107** | **19.877.836** |

## Balance sheet 28 February

All amounts in DKK.

| Note | Equity and liabilities | 2018 | 2017 |
|---|---|---|---|
| | **Equity** | | |
| | Contributed capital | 51.000 | 51.000 |
| | Share premium account | 4.000.000 | 4.000.000 |
| | Results brought forward | -326.449 | -885.873 |
| | **Equity in total** | **3.724.551** | **3.165.127** |
| | **Liabilities** | | |
| | Mortgage debt | 8.556.829 | 8.994.230 |
| | Debt to group enterprises | 5.700.745 | 6.688.754 |
| | Long-term liabilities in total | 14.257.574 | 15.682.984 |
| 3 | Short-term liabilities of long-term liabilities | 437.140 | 429.543 |
| | Trade creditors | 18.591 | 20.324 |
| | Other debts | 196.415 | 533.726 |
| | Accrued expenses and deferred income | 43.836 | 46.132 |
| | Short-term liabilities in total | 695.982 | 1.029.725 |
| | **Liabilities in total** | **14.953.556** | **16.712.709** |
| | **Equity and liabilities in total** | **18.678.107** | **19.877.836** |

**4 Mortgage and securities**

**5 Contingencies**

## Notes

All amounts in DKK.

| | | 2017/18 | 2016/17 |
|---|---|---|---|
| **1.** | **Other financial costs** | | |
| | Financial costs, group enterprises | 362.912 | 536.432 |
| | Other financial costs | 269.303 | 283.076 |
| | | **632.215** | **819.508** |

| | | 28/2 2018 | 28/2 2017 |
|---|---|---|---|
| **2.** | **Investment property** | | |
| | Cost 1 March 2017 | 18.784.659 | 18.784.659 |
| | Additions during the year | 167.227 | 0 |
| | **Cost 28 February 2018** | **18.951.886** | **18.784.659** |
| | Depreciation and writedown 1 March 2017 | -357.057 | -156.649 |
| | Depreciation for the year | -202.638 | -200.408 |
| | **Depreciation and writedown 28 February 2018** | **-559.695** | **-357.057** |
| | **Book value 28 February 2018** | **18.392.191** | **18.427.602** |

**3. Liabilities**

| | Instalments first year | Outstanding debt after 5 years | Debt in total 28 Feb 2018 | Debt in total 28 Feb 2017 |
|---|---|---|---|---|
| Mortgage debt | 437.140 | 6.726.774 | 8.993.968 | 9.423.773 |
| Debt to group enterprises | 0 | 0 | 5.700.745 | 6.688.754 |
| | **437.140** | **6.726.774** | **14.694.713** | **16.112.527** |

**4. Mortgage and securities**

As security for mortgage debts, DKK in thousands 8.994, mortgage has been granted on land and building representing a book value of DKK in thousands 18.392 at 28 February 2018

## Notes

All amounts in DKK.

### 5. Contingencies

**Joint taxation**

Roden Holdings ApS, company reg. no 38 74 97 49 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

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

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

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.