

# **Vimmelskiftet 30 Holding ApS**

c/o Citco (Denmark) ApS  
Holbergsgade 14, 2. tv.  
1057 København K

CVR no. 37 16 92 85

## **Annual report for 2017/18**

(3th Financial year)

Adopted at the annual general meeting  
on 14 December 2018

---

Jakob Schou Midtgaard  
chairman

## Table of contents

|  | Page |
|--|------|
| <b>Statements</b>                            |      |
| Statement by management on the annual report | 1    |
| Independent auditor's report                 | 2    |
| <b>Management's review</b>                   |      |
| Company details                              | 5    |
| Management's review                          | 6    |
| <b>Financial statements</b>                  |      |
| Accounting policies                          | 7    |
| Income Statement                             | 10   |
| Balance Sheet                                | 11   |
| Notes to the annual report                   | 13   |

## **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of Vimmelskafte 30 Holding ApS for the financial year 1 August 2017 - 31 July 2018.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 July 2018 and of the results of the company's operations for the financial year 1 August 2017 - 31 July 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 15 November 2018

### **Executive board**

Peter Baxter  
director

Jakob Schou Midtgaard  
director

## **Independent auditor's report**

### **To the shareholder of Vimmelskftet 30 Holding ApS**

#### **Opinion**

We have audited the financial statements of Vimmelskftet 30 Holding ApS for the financial year 1 August 2017 - 31 July 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. 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 company's financial position at 31 July 2018 and of the results of the company's operations for the financial year 1 August 2017 - 31 July 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 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' 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 the 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 judgment and maintain professional skepticism 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 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.

## **Independent auditor's report**

### **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.

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 Statements Act. We did not identify any material misstatement of management's review.

Frederiksberg, 15 November 2018  
CVR no. 30 70 02 28



Henrik Reedtz  
State Authorised Public Accountant  
MNE no. mne24830

## **Company details**

### **The company**

Vimmelskftet 30 Holding ApS  
c/o Citco (Denmark) ApS  
Holbergsgade 14, 2. tv.  
1057 København K

CVR no.: 37 16 92 85

Reporting period: 1 August 2017 - 31 July 2018

Incorporated: 19. October 2015

Domicile: Copenhagen

### **Executive board**

Peter Baxter, director  
Jakob Schou Midtgaard, director

### **Auditors**

ERNST & YOUNG  
Statsautoriseret Revisionspartnerselskab  
Osvald Helmuths Vej 4  
2000 Frederiksberg

## **Management's review**

### **Business activities**

The Company's main activity is investment in real-estate companies.

### **Unusual matters**

During the financial year management reviewed a fair market valuation of the asset owned by Klosterstræde 1 ApS and it was established that an impairment was needed for investment in subsidiaries. Equally, the impairment was not recognized in the financial statement for 2015/16 and 2016/17. The impairment need on the investment was DKK 41,3 million and the recognized impairment amount was DKK 4,1 million in the financial statement for 2016/17. Therefore, the error has been corrected by restating comparatives and opening equity figures in the current-year financial statements. In consequence of the restatement, impairment of the investments has been adversely affected by DKK 37,2 million for 2016/17. In total, the balance sheet total at DKK 103,2 million for 2016/17 has been adversely affected by DKK -37,2 million, and equity has been adversely affected by DKK -37,2 million by 31 July 2017. The opening equity at 1 August 2016 has been affected by DKK -36,1 million.

### **Business review**

The company's income statement for the year ended 31 July shows a profit of DKK 6.595.073, and the balance sheet at 31 July 2018 shows equity of DKK 69.353.628.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## **Accounting policies**

The annual report of Vimmelskftet 30 Holding ApS for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2017/18 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## **Accounting policies**

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit or loss reflects other external expenses.

#### **Other external costs**

Other external expenses include expenses relating to the Entity's ordinary activities and administration.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised exchange gains and losses on foreign currency transactions.

#### **Profit/loss from investments in subsidiaries**

Dividend from investments is recognised in the reporting year in which the dividend is declared.

#### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## **Accounting policies**

### **Balance sheet**

#### **Investments in subsidiaries and associates**

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

#### **Equity**

##### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

#### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

#### **Liabilities**

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

#### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

**Income statement**  
**1 August 2017 - 31 July 2018**

|   | <u>Note</u> | <u>2017/18</u><br>DKK   | <u>2016/17</u><br>DKK |
|---|-------------|-------------------------|-----------------------|
| <b>Gross profit</b>                                 |             | <b>-358.796</b>         | <b>-328.000</b>       |
| Income from investments in subsidiaries             |             | 6.795.000               | 568.000               |
| Financial income                                    |             | 106.667                 | 0                     |
| Financial costs                                     |             | -4.188                  | 0                     |
| <b>Profit/loss before tax</b>                       |             | <b>6.538.683</b>        | <b>240.000</b>        |
| Tax on profit/loss for the year                     | 3           | 56.390                  | 94.000                |
| <b>Profit/loss for the year</b>                     |             | <b><u>6.595.073</u></b> | <b><u>334.000</u></b> |
| <br><b>Recommended appropriation of profit/loss</b> |             |                         |                       |
| Proposed dividend for the year                      |             | 15.000.000              | 0                     |
| Retained earnings                                   |             | -8.404.927              | 334.000               |
|   |             | <b><u>6.595.073</u></b> | <b><u>334.000</u></b> |

## Balance sheet at 31 July 2018

|                                 | <u>Note</u> | <u>2017/18</u><br>DKK           | <u>2016/17</u><br>DKK           |
|---------------------------------|-------------|---------------------------------|---------------------------------|
| <b>Assets</b>                   |             |                                 |                                 |
| Investments in subsidiaries     | 4           | <u>66.803.555</u>               | <u>65.708.555</u>               |
| <b>Fixed asset investments</b>  |             | <b><u>66.803.555</u></b>        | <b><u>65.708.555</u></b>        |
| <b>Total non-current assets</b> |             | <b><u>66.803.555</u></b>        | <b><u>65.708.555</u></b>        |
| Other receivables               |             | 37.465                          | 0                               |
| Corporation tax                 |             | <u>219.133</u>                  | <u>163.000</u>                  |
| <b>Receivables</b>              |             | <b><u>256.598</u></b>           | <b><u>163.000</u></b>           |
| <b>Cash at bank and in hand</b> |             | <b><u>5.539.845</u></b>         | <b><u>80.000</u></b>            |
| <b>Total current assets</b>     |             | <b><u>5.796.443</u></b>         | <b><u>243.000</u></b>           |
| <b>Total assets</b>             |             | <b><u><u>72.599.998</u></u></b> | <b><u><u>65.951.555</u></u></b> |

## Balance sheet at 31 July 2018

|  | <u>Note</u> | <u>2017/18</u><br>DKK    | <u>2016/17</u><br>DKK    |
|--|-------------|--------------------------|--------------------------|
| <b>Equity and liabilities</b>                  |             |                          |                          |
| Share capital                                  |             | 51.000                   | 51.000                   |
| Retained earnings                              |             | 54.302.628               | 62.707.555               |
| Proposed dividend for the year                 |             | <u>15.000.000</u>        | <u>0</u>                 |
| <b>Equity</b>                                  | <b>5</b>    | <b><u>69.353.628</u></b> | <b><u>62.758.555</u></b> |
| Trade payables                                 |             | 27.714                   | 10.000                   |
| Payables to group enterprises                  |             | 3.025.034                | 3.025.000                |
| Other payables                                 |             | <u>193.622</u>           | <u>158.000</u>           |
| <b>Total current liabilities</b>               |             | <b><u>3.246.370</u></b>  | <b><u>3.193.000</u></b>  |
| <b>Total liabilities</b>                       |             | <b><u>3.246.370</u></b>  | <b><u>3.193.000</u></b>  |
| <b>Total equity and liabilities</b>            |             | <b><u>72.599.998</u></b> | <b><u>65.951.555</u></b> |
| Uncertainty in the recognition and measurement | 1           |                          |                          |
| Contingencies, etc.                            | 6           |                          |                          |
| Mortgages and collateral                       | 7           |                          |                          |
| Related parties and ownership structure        | 8           |                          |                          |

## Notes

### 1 Uncertainty in the recognition and measurement

During the financial year management reviewed a fair market valuation of the asset owned by Klosterstræde 1 ApS and it was established that an impairment was needed for investment in subsidiaries. Equally, the impairment was not recognized in the financial statement for 2015/16 and 2016/17. The impairment need on the investment was DKK 41,3 million and the recognized impairment amount was DKK 4,1 million in the financial statement for 2016/17. Therefore, the error has been corrected by restating comparatives and opening equity figures in the current-year financial statements. In consequence of the restatement, impairment of the investments has been adversely affected by DKK 37,2 million for 2016/17. In total, the balance sheet total at DKK 103,2 million for 2016/17 has been adversely affected by DKK -37,2 million, and equity has been adversely affected by DKK -37,2 million by 31 July 2017. The opening equity at 1 August 2016 has been affected by DKK -36,1 million. Reference is also made to the comments in the Management's review.

|  | <u>2017/18</u>        | <u>2016/17</u>        |
|--|-----------------------|-----------------------|
|  | DKK                   | DKK                   |
| <b>2 Staff costs</b>                     |                       |                       |
| Average number of employees              | <u>0</u>              | <u>0</u>              |
| <b>3 Tax on profit/loss for the year</b> |                       |                       |
| Current tax for the year                 | <u>-56.390</u>        | <u>-94.000</u>        |
|  | <u><b>-56.390</b></u> | <u><b>-94.000</b></u> |

## Notes

|  | <u>2017/18</u>           | <u>2016/17</u>           |
|--|--------------------------|--------------------------|
|  | DKK                      | DKK                      |
| <b>4 Investments in subsidiaries</b>   |                          |                          |
| Cost at 1 August 2017                  | 107.074.555              | 108.755.555              |
| Additions for the year                 | 0                        | 97.000                   |
| Transfers for the year                 | 0                        | -1.778.000               |
| Cost at 31 July 2018                   | <u>107.074.555</u>       | <u>107.074.555</u>       |
| Revaluations at 1 August 2017          | -41.366.000              | -41.934.000              |
| Revaluations for the year, net         | <u>1.095.000</u>         | <u>568.000</u>           |
| Revaluations at 31 July 2018           | <u>-40.271.000</u>       | <u>-41.366.000</u>       |
| <b>Carrying amount at 31 July 2018</b> | <b><u>66.803.555</u></b> | <b><u>65.708.555</u></b> |

Investments in subsidiaries are specified as follows:

| <u>Name</u>         | <u>Registered office</u> | <u>Ownership interest</u> | <u>Equity</u>      | <u>Profit/loss for the year</u> |
|---------------------|--------------------------|---------------------------|--------------------|---------------------------------|
| Vimmelskftet 30 ApS | Copenhagen               | 100%                      | 112.349.453        | 8.854.453                       |
| Klosterstræde 1 ApS | Copenhagen               | 100%                      | 8.596.683          | 1.794.734                       |
|                     |                          |                           | <u>120.946.136</u> | <u>10.649.187</u>               |



## Notes

### 5 Equity

|                                     | Share capital | Retained earnings | Proposed dividend for the year | Total             |
|-------------------------------------|---------------|-------------------|--------------------------------|-------------------|
| Equity at 1 August 2017             | 51.000        | 99.938.000        | 0                              | 99.989.000        |
| Net effect from adjustment of error | 0             | -37.230.445       | 0                              | -37.230.445       |
| Adjusted equity at 1 August 2017    | 51.000        | 62.707.555        | 0                              | 62.758.555        |
| Net profit/loss for the year        | 0             | -8.404.927        | 15.000.000                     | 6.595.073         |
| <b>Equity at 31 July 2018</b>       | <b>51.000</b> | <b>54.302.628</b> | <b>15.000.000</b>              | <b>69.353.628</b> |

### 6 Contingencies, etc.

The Company serves as an administration company in a Dansih joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the income year 2015 for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 7 Mortgages and collateral

The Company's shares in subsidiaries have been provided as collateral for balances with the bank. At the balance sheet date, there are no payables to the bank.

### 8 Related parties and ownership structure

#### Controlling interest

- Vimmelskftet 30 ApS and Klosterstræde 1 ApS are subsidiaries.

- Vimmelskftet 30 Holding ApS is included in the consolidated financial statements for M&G European Property Fund SICAV-FIS at the highest level in the structure.