

**Block GKL2 ApS**  
c/o Keystone Investment Management A/S, 1058 København K

Company reg. no. 37 51 14 39

**Annual report**

**1 July 2018 - 30 June 2019**

The annual report was submitted and approved by the general meeting on the 30 October 2019.

---

Morten Sennecker Schultz  
Chairman of the meeting

## Contents

---

|   | <u>Page</u> |
|---|-------------|
| <b>Reports</b>                                    |             |
| Management's report                               | 1           |
| Independent auditor's report                      | 2           |
| <b>Management's review</b>                        |             |
| Company data                                      | 5           |
| Management's review                               | 6           |
| <b>Annual accounts 1 July 2018 - 30 June 2019</b> |             |
| Accounting policies used                          | 7           |
| Profit and loss account                           | 10          |
| Balance sheet                                     | 11          |
| Notes   | 13          |

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- 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 executive board has today presented the annual report of Block GKL2 ApS for the financial year 1 July 2018 to 30 June 2019.

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 at 30 June 2019 and of the company's results of its activities in the financial year 1 July 2018 to 30 June 2019.

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.

København K, 29 October 2019

### **Executive board**

Hugo Marcus Vernon Black

Morten Sennecker Schultz

## **Independent auditor's report**

---

**To the shareholder of Block GKL2 ApS**

### **Opinion**

We have audited the annual accounts of Block GKL2 ApS for the financial year 1 July 2018 to 30 June 2019, 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 2019 and of the results of the company's operations for the financial year 1 July 2018 to 30 June 2019 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.

Aarhus, 29 October 2019

### **BRANDT**

Company reg. no. 25 49 21 45

**Preben Dunker**

State Authorised Public Accountant  
mne9228

## Company data

---

**The company**

Block GKL2 ApS  
c/o Keystone Investment Management A/S  
1058 København K

Company reg. no. 37 51 14 39  
Financial year: 1 July - 30 June

**Executive board**

Hugo Marcus Vernon Black  
Morten Sennecker Schultz

**Auditors**

BRANDT, Statsautoriseret Revisionspartnerselskab  
Søren Frichs Vej 36 L  
8230 Åbyhøj

## **Management's review**

---

### **The principal activities of the company**

Like previous years, the principal activities are rental for residential and commercial purposes.

### **Development in activities and financial matters**

The gross profit for the year is DKK 558.937 against DKK -23.694 last year. The results from ordinary activities after tax are DKK 395.860 against DKK -29.632 last year. The management consider the results satisfactory.



## **Accounting policies used**

---

The annual report for Block GKL2 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.

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

## **The profit and loss account**

### **Gross profit**

The gross profit comprises rental income and costs relating to investment properties as well as external costs. Property costs under construction are capitalized as part of property cost.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

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 distribution.

## **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.

### **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.

### **Depreciation, amortisation and writedown**

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

### **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 concern the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

### **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 balance sheet**

### **Tangible fixed assets**

Tangible fixed assets comprises properties under construction that are measured at cost.

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

The property is reclassified as investment property from the time the were the property is rented out.

### **Investment property**

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

Depreciation of the investment property begins when the property is rented out.

## **Accounting policies used**

---

Depreciation takes place over 50 years, and the depreciation basis is calculated as 20% of the revalued value if no other conditions set another scrap value. There is no depreciation on land.

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 and in hand.

### **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.

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.

**Profit and loss account 1 July - 30 June**


---

All amounts in DKK.

| <u>Note</u>  | <u>2018/19</u> | <u>2017/18</u> |
|--|----------------|----------------|
| <b>Gross profit</b>  | <b>558.937</b> | <b>-23.694</b> |
| Depreciation and writedown relating to tangible fixed assets | -48.181        | 0              |
| <b>Operating profit</b>                                      | <b>510.756</b> | <b>-23.694</b> |
| Other financial costs  | -3.243         | -13.828        |
| <b>Results before tax</b>                                    | <b>507.513</b> | <b>-37.522</b> |
| Tax on ordinary results                                      | -111.653       | 7.890          |
| <b>Results for the year</b>                                  | <b>395.860</b> | <b>-29.632</b> |
| <br><b>Proposed distribution of the results:</b>             |                |                |
| Allocated to results brought forward                         | 395.860        | 0              |
| Allocated from results brought forward                       | 0              | -29.632        |
| <b>Distribution in total</b>                                 | <b>395.860</b> | <b>-29.632</b> |

**Balance sheet 30 June**


---

All amounts in DKK.

| <b>Assets</b>  |                           |                           |
|--|---------------------------|---------------------------|
| <u>Note</u>  | <u>2019</u>               | <u>2018</u>               |
| <b>Fixed assets</b>  |                           |                           |
| 1 Land and property  | 239.196.618               | 0                         |
| 2 Tangible assets under construction and prepayments for tangible assets | 0                         | 166.892.665               |
| Tangible fixed assets in total   | <u>239.196.618</u>        | <u>166.892.665</u>        |
| <b>Fixed assets in total</b>   | <b><u>239.196.618</u></b> | <b><u>166.892.665</u></b> |
| <b>Current assets</b>  |                           |                           |
| Trade debtors  | 5.600                     | 0                         |
| Other debtors  | 317.089                   | 590.076                   |
| Accrued income and deferred expenses                                     | 0                         | 355.516                   |
| Debtors in total   | <u>322.689</u>            | <u>945.592</u>            |
| Available funds  | <u>1.920.329</u>          | <u>104.078</u>            |
| <b>Current assets in total</b>   | <b><u>2.243.018</u></b>   | <b><u>1.049.670</u></b>   |
| <b>Assets in total</b>   | <b><u>241.439.636</u></b> | <b><u>167.942.335</u></b> |

**Balance sheet 30 June**

All amounts in DKK.

| <u>Note</u>                            | <u>2019</u>               | <u>2018</u>               |
|--|---------------------------|---------------------------|
| <b>Equity and liabilities</b>          |                           |                           |
| <b>Equity</b>                          |                           |                           |
| Contributed capital                    | 80.000                    | 80.000                    |
| Results brought forward                | 23.259.964                | 22.864.104                |
| <b>Equity in total</b>                 | <b><u>23.339.964</u></b>  | <b><u>22.944.104</u></b>  |
| <b>Provisions</b>                      |                           |                           |
| Provisions for deferred tax            | 6.583.535                 | 6.471.882                 |
| <b>Provisions in total</b>             | <b><u>6.583.535</u></b>   | <b><u>6.471.882</u></b>   |
| <b>Liabilities</b>                     |                           |                           |
| Deposits                               | 1.308.900                 | 0                         |
| Prepayments received from customers    | 3.454.315                 | 0                         |
| Long-term liabilities in total         | <u>4.763.215</u>          | <u>0</u>                  |
| Bank debts                             | 0                         | 46.348.873                |
| Trade creditors                        | 1.828.169                 | 7.995.433                 |
| Other debts                            | 204.924.753               | 84.182.043                |
| Short-term liabilities in total        | <u>206.752.922</u>        | <u>138.526.349</u>        |
| <b>Liabilities in total</b>            | <b><u>211.516.137</u></b> | <b><u>138.526.349</u></b> |
| <b>Equity and liabilities in total</b> | <b><u>241.439.636</u></b> | <b><u>167.942.335</u></b> |

## Notes

---

All amounts in DKK.

|  | <u>30/6 2019</u>          | <u>30/6 2018</u>          |
|--|---------------------------|---------------------------|
| <b>1. Land and property</b>  |                           |                           |
| Transfers  | 239.244.799               | 0                         |
| <b>Cost 30 June 2019</b>   | <b><u>239.244.799</u></b> | <b><u>0</u></b>           |
| Depreciation for the year  | -48.181                   | 0                         |
| <b>Depreciation and writedown 30 June 2019</b>                                   | <b><u>-48.181</u></b>     | <b><u>0</u></b>           |
| <b>Book value 30 June 2019</b>   | <b><u>239.196.618</u></b> | <b><u>0</u></b>           |
| Interest expenses are included in the cost by                                    | <u>7.418.291</u>          | <u>0</u>                  |
| <b>2. Tangible assets under construction and prepayments for tangible assets</b> |                           |                           |
| Cost 1 July 2018   | 166.892.665               | 43.154.642                |
| Additions during the year  | 72.352.134                | 123.738.023               |
| Transfers  | -239.244.799              | 0                         |
| <b>Cost 30 June 2019</b>   | <b><u>0</u></b>           | <b><u>166.892.665</u></b> |
| <b>Book value 30 June 2019</b>   | <b><u>0</u></b>           | <b><u>166.892.665</u></b> |
| Interest expenses are included in the cost by                                    | <u>0</u>                  | <u>2.549.447</u>          |