

Soborg Property Denmark A/S

**c/o Harbour House, Sundkrogsgade 21, DK-
2100 Copenhagen**

CVR no. 39 14 08 45

Annual report for 2017/18

Adopted at the annual general meeting
on 13 December 2018



Pernille Ohlsen
chairman



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Statement by management on the annual report

The board of directors and executive board have today discussed and approved the annual report of Soborg Property Denmark A/S for the financial year 6 December 2017 - 31 July 2018.

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

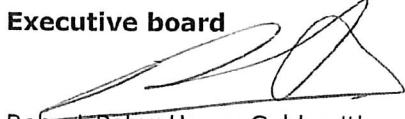
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 July 2018 and of the results of the company's operations for the financial year 6 December 2017 - 31 July 2018.

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, 13 December 2018

Executive board

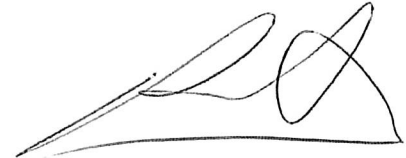


Robert Peter Henry Goldsmith
Director

Board of directors

Graham Middlemiss
chairman

Simon Gray



Robert Peter Henry Goldsmith

Statement by management on the annual report

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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 6 December 2017 - 31 July 2018.

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

Copenhagen, 13 December 2018

Executive board

Robert Peter Henry Goldsmith
Director

Board of directors


Graham Middlemiss
chairman

Simon Gray

Robert Peter Henry Goldsmith

Independent auditor's report

To the shareholder of Soborg Property Denmark A/S

Opinion

We have audited the financial statements of Soborg Property Denmark A/S for the financial year 6 December 2017 - 31 July 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies. The financial statements are 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 6 December 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.

Independent auditor's report

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:

- 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.

Independent auditor's report

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.

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.

Copenhagen, 13 December 2018

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56



Kim Takata Mücke
state authorized public accountant
MNE no. mne10944

Company details

The company

Soborg Property Denmark A/S
c/o Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen

Reporting period: 6 December 2017 - 31 July 2018

Domicile: Copenhagen

Board of directors

Graham Middlemiss
Simon Gray
Robert Peter Henry Goldsmith

Executive board

Robert Peter Henry Goldsmith, director

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen

Consolidated financial statement

The company is included in the consolidated financial statement of Ferguson plc.

The consolidated financial statement can be obtained at the following address:

Grafenauweg 10
CH-6301 Zug
Switzerland

Management's review

Business activities

The purpose of the company is to undertake any form of investment in real estate, including by purchase or exchange or indirectly by subscription or acquisition of ownership interests of property companies, as well as administration, control, development and sale of real estate.

Recognition and measurement uncertainties

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Unusual matters

The company's financial position at 31 July 2018 and the results of its operations for the financial year ended 31 July 2018 are not affected by any unusual matters.

Business review

The company's income statement for the year ended 31 July shows a profit of DKK 674.853, and the balance sheet at 31 July 2018 shows equity of DKK 48.888.853.

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.

Income statement
6 December 2017 - 31 July 2018

	<u>Note</u>	<u>2017/18</u> DKK
Gross profit		866.480
Financial income		301
Financial expenses		<u>-1.585</u>
Profit/loss before tax		865.196
Tax on profit/loss for the year	2	<u>-190.343</u>
Profit/loss for the year		<u><u>674.853</u></u>
 Distribution of profit		
Retained earnings		<u>674.853</u>
		<u><u>674.853</u></u>

Balance sheet at 31 July 2018

	<u>Note</u>	<u>2017/18</u> DKK
Assets		
Investment properties		<u>47.622.000</u>
Tangible assets	3	<u>47.622.000</u>
Total non-current assets		<u>47.622.000</u>
Other receivables		<u>6.209</u>
Receivables		<u>6.209</u>
Cash at bank and in hand		<u>2.007.608</u>
Total current assets		<u>2.013.817</u>
Total assets		<u><u>49.635.817</u></u>

Balance sheet at 31 July 2018

	<u>Note</u>	<u>2017/18</u> DKK
Equity and liabilities		
Share capital		501.000
Retained earnings		<u>48.387.853</u>
Equity	4	<u>48.888.853</u>
Trade payables		122.217
Joint taxation contributions payable		190.343
Other payables		<u>434.404</u>
Total current liabilities		<u>746.964</u>
Total liabilities		<u>746.964</u>
Total equity and liabilities		<u>49.635.817</u>
Contingent liabilities	5	

Notes

	<u>2017/18</u>
1 Staff expenses	
Average number of employees	<u>0</u>
	<u>2017/18</u>
	DKK
2 Tax on profit/loss for the year	
Current tax for the year	<u>190.343</u>
Current tax of the year	<u><u>190.343</u></u>
3 Tangible assets	
	Investment <u>properties</u>
Additions for the year	<u>47.622.000</u>
Cost at 31 July 2018	<u>47.622.000</u>
Fair value adjustments at 6 December 2017	<u>0</u>
Fair value adjustments at 31 July 2018	<u>0</u>
Carrying amount at 31 July 2018	<u><u>47.622.000</u></u>

Carrying amount is equal to cost, which is deemed to represent fair value based on valuation performed by external valuar.

Notes

4 Equity

	Share capital	Share premium account	Retained earnings	Total
Formation of entity	500.000	0	0	500.000
Contribution in kind	1.000	47.713.000	0	47.714.000
Transfer	0	-47.713.000	47.713.000	0
Net profit/loss for the year	0	0	674.853	674.853
Equity at 31 July 2018	501.000	0	48.387.853	48.888.853

5 Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed income etc of the group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the company's liability.

Accounting policies

The annual report of Soborg Property Denmark A/S for 2017/18 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 provisions as regards larger entities.

The annual report for 2017/18 is presented in DKK.

As 2017/18 is the company's first reporting period, no comparatives have been presented.

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.

Income statement

Gross profit

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

Gross profit reflects an aggregation of revenue less other external expenses.

Other external expenses

Other external expenses include property costs and corporate costs.

Accounting policies

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, realised and unrealised exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

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.

Balance sheet

Tangible assets

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by applying the yield-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required yield rate that reflects current market yield rates for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables

Receivables are measured at amortised cost.

Accounting policies

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.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

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.