



# RSM

**RSM Danmark**

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# Vedelsgade 32 ApS

Industrivej 6C, 8660 Skanderborg

Company reg. no. 41 00 66 17

## Annual report

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 25 March 2022.

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**Kim Andersen**  
Chairman of the meeting

## Contents

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	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Management's review	6
<b>Financial statements 1 January - 31 December 2021</b>	
Income statement	7
Balance sheet	8
Notes	10
Accounting policies	13

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Managing Director has approved the annual report of Vedelsgade 32 ApS for the financial year 1 January - 31 December 2021.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Skanderborg, 25 March 2022

**Managing Director**

Kim Andersen

## **Independent auditor's report**

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### **To the Shareholders of Vedelsgade 32 ApS**

#### **Opinion**

We have audited the financial statements of Vedelsgade 32 ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, notes and a summary of significant accounting policies,, for the Company. 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 financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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’ 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.

## Independent auditor's report

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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.

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.

## **Independent auditor's report**

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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 Statement Act. We did not identify any material misstatement of Management's Review.

Fredericia, 25 March 2022

### **RSM Danmark**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 25 49 21 45

**Søren Fricke**

State Authorised Public Accountant  
mne34262

## Company information

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<b>The company</b>	Vedelsgade 32 ApS Industrivej 6C 8660 Skanderborg
	Company reg. no. 41 00 66 17 Financial year: 1 January 2021 - 31 December 2021
<b>Managing Director</b>	Kim Andersen
<b>Auditors</b>	RSM Danmark Statsautoriseret Revisionspartnerselskab Prinsessegade 60 7000 Fredericia
<b>Parent company</b>	Davidson Holding ApS

## Management's review

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

The main activity of the company is lease and developing of investment properties.

### **Unusual circumstances**

No unusual circumstances have affected recognition or measurement.

### **Uncertainties about recognition or measurement**

No material uncertainty has affected the recognition or measurement.

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

The results and financial development of the company were as expected.

The management has currently chosen to discontinue the plans for significant redevelopment of the property, as a result of the rising prices of building materials. The property will currently be used for rental.

### **Events occurring after the end of the financial year**

After the end of the financial year, no events have occurred that could materially affect the financial position of the company.



## Income statement

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All amounts in DKK.

<u>Note</u>	1/1 2021 - 31/12 2021	13/12 2019 - 31/12 2020
<b>Gross profit</b>	<b>107.570</b>	<b>5.262</b>
Value adjustment of investment property	-500.000	0
1 Other operating costs	-42.014	-1.116.000
<b>Profit before net financials</b>	<b>-434.444</b>	<b>-1.110.738</b>
2 Other financial costs	-109.551	-193.035
<b>Pre-tax net profit or loss</b>	<b>-543.995</b>	<b>-1.303.773</b>
Tax on net profit or loss for the year	2.550	0
<b>Net profit or loss for the year</b>	<b>-541.445</b>	<b>-1.303.773</b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	-541.445	-1.303.773
<b>Total allocations and transfers</b>	<b>-541.445</b>	<b>-1.303.773</b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
3 Property, plant, and equipment under construction and prepayments for property, plant, and equipment	0	6.500.000
4 Investment property	6.000.000	0
Total property, plant, and equipment	<u>6.000.000</u>	<u>6.500.000</u>
<b>Total non-current assets</b>	<b><u>6.000.000</u></b>	<b><u>6.500.000</u></b>
<b>Current assets</b>		
Other receivables	63.731	223.556
Total receivables	<u>63.731</u>	<u>223.556</u>
Cash on hand and demand deposits	26.425	3.693
<b>Total current assets</b>	<b><u>90.156</u></b>	<b><u>227.249</u></b>
<b>Total assets</b>	<b><u>6.090.156</u></b>	<b><u>6.727.249</u></b>

## Balance sheet at 31 December

All amounts in DKK.

<b>Equity and liabilities</b>		<u>2021</u>	<u>2020</u>
<u>Note</u>			
<b>Equity</b>			
Contributed capital		150.000	80.000
Share premium		4.190.000	760.000
Retained earnings		-1.845.218	-1.303.773
<b>Total equity</b>		<u><b>2.494.782</b></u>	<u><b>-463.773</b></u>
<b>Long term liabilities other than provisions</b>			
Mortgage loans		2.532.084	2.653.168
Deposits		34.392	34.392
Other payables		0	4.342.655
5 Total long term liabilities other than provisions		<u>2.566.476</u>	<u>7.030.215</u>
5 Current portion of long term payables		121.583	120.548
Payables to subsidiaries		204.977	0
Other payables		702.338	40.259
Total short term liabilities other than provisions		<u>1.028.898</u>	<u>160.807</u>
<b>Total liabilities other than provisions</b>		<u><b>3.595.374</b></u>	<u><b>7.191.022</b></u>
<b>Total equity and liabilities</b>		<u><b>6.090.156</b></u>	<u><b>6.727.249</b></u>
<b>6 Charges and security</b>			
<b>7 Contingencies</b>			

## Notes

All amounts in DKK.

	1/1 2021 - 31/12 2021	13/12 2019 - 31/12 2020
<b>1. Other operating costs</b>		
Impairment of property, plant and equipment under construction.	42.014	1.116.000
	<b>42.014</b>	<b>1.116.000</b>
<b>2. Other financial costs</b>		
Financial costs, group enterprises	6.145	0
Other financial costs	103.406	193.035
	<b>109.551</b>	<b>193.035</b>
<b>3. Property, plant, and equipment under construction and prepayments for property, plant, and equipment</b>		
Cost 1 January	7.616.000	0
Additions during the year	0	7.616.000
Transfers	-7.616.000	0
<b>Cost 31 December</b>	<b>0</b>	<b>7.616.000</b>
Depreciation and writedown 1 January	-1.116.000	0
Impairment loss for the year	0	-1.116.000
Transfers	1.116.000	0
<b>Depreciation and writedown 31 December</b>	<b>0</b>	<b>-1.116.000</b>
<b>Carrying amount, 31 December</b>	<b>0</b>	<b>6.500.000</b>
<b>4. Investment property</b>		
Transfers	7.616.000	0
<b>Cost 31 December</b>	<b>7.616.000</b>	<b>0</b>
Adjustments to fair value for the year	-500.000	0
Transfers	-1.116.000	0
<b>Fair value adjustment 31 December</b>	<b>-1.616.000</b>	<b>0</b>
<b>Carrying amount, 31 December</b>	<b>6.000.000</b>	<b>0</b>

## Notes

All amounts in DKK.

A determination of the return from the individual properties is based on the expected rental income from fully leased properties less expected operating costs, administration costs, and maintenance costs. The subsequent value is adjusted for recognised vacant-period lease for a reasonable period of time and expected costs of improvements and large maintenance projects, etc., plus added deposits and prepaid lease payments.

The required rate of return has been determined on the basis of market statistics, completed transactions, and management's knowledge of the property market in general. When determining the required rate of return, parameters such as type (residence, office, shop, etc.), location, age, state of maintenance, duration of rental agreements, and tenant credit quality, etc., are considered.

Compared to the previous financial year, the methods of measurement remain unchanged.

The determination of the market value (carrying value) is based on the following rates of return:

Weighted average rate of return 6,0 %

Sensitivity analysis:

Changes in the rates of return have a material effect on the measurement of investment properties. An increase in the rate of return could mean a decrease in market value. The market development may result in changed requirements to the return on real property.

An increase of the required rate of return by 1 percentage point would mean a reduction of the value of the investment properties of DKK 945.000. As a result, the equity would be reduced from the present DKK 2.492.232 to DKK 1.750.000.

### 5. Liabilities other than provision

	<b>Total payables 31 Dec 2021</b>	<b>Current portion of long term payables</b>	<b>Long term payables 31 Dec 2021</b>	<b>Outstanding payables after 5 years</b>
Mortgage loans	2.653.667	121.583	2.532.084	2.050.785
Deposits	34.392	0	34.392	34.392
	<b>2.688.059</b>	<b>121.583</b>	<b>2.566.476</b>	<b>2.085.177</b>

## Notes

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All amounts in DKK.

### 6. Charges and security

As collateral for mortgage loans, DKK 2.653.667, security has been granted on land and buildings representing a carrying amount of DKK 6.000.000 at 31 December 2021.

### 7. Contingencies

#### Contingent liabilities

None.

#### Joint taxation

With Davidson Holding ApS, company reg. no 40 93 45 61 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

## Accounting policies

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The annual report for Vedelsgade 32 ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Income statement**

#### **Gross profit**

Gross profit comprises the lease income and other external costs.

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Costs concerning investment properties comprise operating costs, repair and maintenance costs, taxes, charges, and other costs. Costs concerning the heating accounts are recognised in the statement of financial position as a balance with lessees.

#### **Value adjustment of investment property**

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

## Accounting policies

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### **Other operating costs**

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### **Property, plant, and equipment**

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

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

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### **Property, plant, and equipment under construction**

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.



## Accounting policies

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### Leases

#### Investment property

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

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a returnbased model, by which the expected future cash flows for the following year, along with a rate of return determined by an external assessor, form the basis for the fair value of the properties. Compared to the previous financial year, the method of measurement remains unchanged.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving 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 income statement under the item "Costs concerning investment property".

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

Value adjustments are recognised in the income statement under the item "Value adjustments of property".

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

### Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

### Equity

#### Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

### Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.