

# Nordsjællands Ejendomsinvest I ApS

CVR No. 32 44 88 28



## Annual report

for the period 1 July 2013 - 31 December 2014

(18 months)

Approved at the annual general meeting of shareholders on 5 May 2015

Chairman:

.....  
Carl Edgar Serge Vøgg



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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Nordsjællands Ejendomsinvest I ApS for the financial year 1 July 2013 - 31 December 2014.

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 December 2014 and of the results of the Company's operations for the financial year 1 July 2013 - 31 December 2014.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 5 May 2015

Executive Board:

.....  
Ole Meier Sørensen

.....  
Carl Edgar Serge Vøgg

## Independent auditors' report on the financial statements

### To the shareholders of Nordsjællands Ejendomsinvest I ApS

We have audited the financial statements of Nordsjællands Ejendomsinvest I ApS for the financial year 1 July 2013 - 31 December 2014, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility 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. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2014 and of the results of its operations for the financial year 1 July 2013 - 31 December 2014 in accordance with the Danish Financial Statements Act.

#### **Emphasis-of-matter paragraph concerning other matters**

During our audit we have noted that the Company did not fully comply with the Danish Bookkeeping Act in the first part of the financial year 2013/2014.

A new Management was appointed when the Company was acquired by the KIWI Group on the 23 May 2014. The new Management has from the date of the acquisition established new procedures to comply with the Danish Bookkeeping Act. The Company's former Management may be held liable in that respect

Odense, 5 May 2015  
**ERNST & YOUNG**  
Godkendt Revisionspartnerselskab

Morten Schougaard Sørensen  
State Authorised Public Accountant

## Income statement for the period 1 July 2013 - 31 December 2014

Notes	2013/14 18 months DKK	2012/13 12 months DKK
<b>Gross profit</b>	49,285	206,006
Depreciation of property, plant and equipment	<u>-211,533</u>	<u>-141,022</u>
<b>Operating profit/loss</b>	<b>-162,248</b>	<b>64,984</b>
4 Financial income	1,104,573	2
5 Financial expenses	<u>-517,051</u>	<u>-330,300</u>
<b>Profit/loss before tax</b>	<b>425,274</b>	<b>-265,314</b>
6 Tax for the year	<u>-76,701</u>	<u>0</u>
<b>Profit/loss for the year</b>	<b><u>348,573</u></b>	<b><u>-265,314</u></b>
<b>Recommended appropriation of the profit/loss for the year</b>		
Retained earnings	<u>348,573</u>	<u>-265,314</u>
	<b><u>348,573</u></b>	<b><u>-265,314</u></b>

## Balance sheet at 31 December

Notes	<u>31/12 2014</u> DKK	<u>30/6 2013</u> DKK
<b>Assets</b>		
<b>Fixed assets</b>		
Land and buildings	<u>5,252,438</u>	<u>5,411,533</u>
7 <b>Property, plant and equipment</b>	<u>5,252,438</u>	<u>5,411,533</u>
<b>Total fixed assets</b>	<u>5,252,438</u>	<u>5,411,533</u>
<b>Current assets</b>		
Prepayments	20,974	0
Other receivables	<u>116,000</u>	<u>158,946</u>
<b>Receivables</b>	<u>136,974</u>	<u>158,946</u>
<b>Cash</b>	<u>106,306</u>	<u>0</u>
<b>Total current assets</b>	<u>243,280</u>	<u>158,946</u>
<b>Total assets</b>	<u><u>5,495,718</u></u>	<u><u>5,570,479</u></u>

## Balance sheet at 31 December

Notes	31/12 2014 DKK	30/6 2013 DKK
<b>Equity and liabilities</b>		
<b>Equity</b>		
8 Share capital	500,000	500,000
Retained earnings/Accumulated loss	<u>-2,246,996</u>	<u>-2,595,569</u>
<b>Total equity</b>	<b><u>-1,746,996</u></b>	<b><u>-2,095,569</u></b>
<b>Liabilities</b>		
Mortgage debt	6,295,476	0
Other payables	<u>123,905</u>	<u>150,520</u>
9 <b>Long-term liabilities</b>	<b><u>6,419,381</u></b>	<b><u>150,520</u></b>
9 Current portion of long-term liabilities	207,422	6,527,404
Bank debt	0	26,497
Trade payables	95,855	7,301
Payables to group entities	420,054	954,326
Income taxes payable	76,701	0
Other payables	<u>23,301</u>	<u>0</u>
<b>Short-term liabilities</b>	<b><u>823,333</u></b>	<b><u>7,515,528</u></b>
<b>Total liabilities</b>	<b><u>7,242,714</u></b>	<b><u>7,666,048</u></b>
<b>Total equity and liabilities</b>	<b><u>5,495,718</u></b>	<b><u>5,570,479</u></b>

## Statement of changes in equity

(DKK)	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Balance at 1/7 2012</b>	500,000	-1,157,745	-657,745
Change in accounting policies		-1,172,510	-1,172,510
Profit/loss for the year, cf. appropriation of profit/loss		<u>-265,314</u>	<u>-265,314</u>
Equity at 1/7 2013	500,000	-2,595,569	-2,095,569
Profit/loss for the year, cf. appropriation of profit/loss		<u>348,573</u>	<u>348,573</u>
<b>Equity at 31/12 2014</b>	<u><b>500,000</b></u>	<u><b>-2,246,996</b></u>	<u><b>-1,746,996</b></u>

## 1. Accounting policies

The annual report of Nordsjællands Ejendomsinvest I ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The financial year has been changed to the financial year used by the new owner who took over the company at 23 May 2014. The period has been changed from 1 July to 30 June to 1 January to 31 December with the period 1 July 2013 to 31 December 2014 as changing period (18 months).

### Changes in accounting policies

To comply with the group accounting policies in the Pears Real Estate Group the accounting policies for properties has been changed from fair value to cost less depreciation.

At the same time the policies applied for debt related to properties has been changed from fair value to amortised cost.

The annual report and the reported numbers for 2012/2013 are restated accordingly.

As a consequence of the changed accounting policies equity at 30 June 2013 has increased DKK 1,412 thousand and the Profit/Loss for 2012/2013 was increased with DKK 2,584 thousand.

At 31 December 2014 equity is reduced with DKK 0 thousand and Profit/Loss for the year reduced with DKK 212 thousand

The financial statements have otherwise been presented in accordance with the same accounting policies as were applied last year. Comparative figures have been restated to reflect the policy change.

### Recognition and measurement in general

#### Reporting currency

The financial statements are presented in Danish kroner.

#### Income statement

##### Rent

Rent comprises rental income from the leases of properties. Rent is recognised on an accruals basis.

Rent is measured net of all types of discounts/rebates granted. Also, rent is measured net of VAT and other indirect taxes charged on behalf of third parties.

##### Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Rent', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

## 1. Accounting policies - continued

### Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful lives of the assets are as follows:

	<u>Useful life (year)</u>
Buildings	50

Land is not depreciated.

### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses etc.

### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

## Balance sheet

### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

### Cash and cash equivalents

Cash comprises cash balances and bank balances.

### Provisions

Other provisions comprise expected maintenance liabilities in accordance with section 22 of the Danish Rent Act and section 18b of the Consolidated act on Temporary Regulation of Housing Condition. Provisions are recognised when, as a result of past events, the Company has legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

### 1. Accounting policies - continued

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

#### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

### 2. The company's primary activities and company details

The company is primarily engaged in investment in real estate and related activities.

The financial year has been changed to the financial year used by the new owner who took over the company at 23 May 2014. The period has been changed from 1 July to 30 June to 1 January to 31 December with the period 1 July 2013 to 31 December 2014 as changing period (18 months).

Profit for the year is positively influenced by remission of debt with a net amount of DKK1,105 thousand.

#### Company details

Name	Nordsjællands Ejendomsinvest I ApS
Address, Postal code, City	Holbergsgade 14, 2. tv., 1057 København K
CVR No.	32 44 88 28
Established	12 September 2009
Registered office	Copenhagen
Financial year	1 July - 31 December
Executive board	Ole Meier Sørensen Carl Edgar Serge Vøgg
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Englandsgade 25, P O Box 200, 5100 Odense C, Denmark

### 3. Capital and outlook

Equity and reserves are negative at DKK 1,747 thousand. The company is partly financed by loans from the parent company Kiwi FRB ApS.

The parent company has declared that it will support Nordsjællands Ejendomsinvest I ApS financially in 2015 to enable the company to meet all its obligations as they fall due.

Based on the support from the parent company the annual report for 2013/14 has been prepared under the going concern assumption

	2013/14 18 months DKK	2012/13 12 months DKK
<b>4. Financial income</b>		
Other interest income	8	2
Remission of debt and similar	<u>1,104,565</u>	<u>0</u>
	<u><b>1,104,573</b></u>	<u><b>2</b></u>
<b>5. Financial expenses</b>		
Interest expenses, group entities	5,359	36,949
Other interest expenses	<u>511,692</u>	<u>293,351</u>
	<u><b>517,051</b></u>	<u><b>330,300</b></u>
<b>6. Tax for the year</b>		
Tax adjustments, prior years	<u>76,701</u>	<u>0</u>
	<u><b>76,701</b></u>	<u><b>0</b></u>

**7. Property, plant and equipment**

(DKK)	<u>Land and buildings</u>
<b>Cost</b>	
Balance at 1/7 2013	7,387,243
Additions in the year	<u>52,438</u>
<b>Cost at 31/12 2014</b>	<u><b>7,439,681</b></u>
<b>Depreciation and impairment losses</b>	
Changes in accounting policies	1,975,710
Depreciation in the year	<u>211,533</u>
<b>Depreciation and impairment losses at 31/12 2014</b>	<u><b>2,187,243</b></u>
<b>Carrying amount at 31/12 2014</b>	<u><u><b>5,252,438</b></u></u>

**8. Share capital**

The company's share capital has remained DKK 500,000 over the past 5 years.

**9. Long-term liabilities**

Of the long-term liabilities, DKK 5,509 thousand falls due for payment after more than 5 years after the balance sheet date.

Other payables comprises of deposit and prepaid rent.

### 10. Security for loans

As security for the company's mortgage debt, the company has placed assets with carrying amount of DKK 5,252 thousand.

### 11. Contingent liabilities and other financial obligations

#### Other contingent liabilities

The company is jointly taxed with other Danish group entities, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the period on and after 23 May 2014 as well as withholding taxes on interest, royalties and dividends falling due for payment on and after 23 May 2014.

### 12. Contingent assets

The company has a deferred tax asset of DKK 584 thousand towards that has not been capitalized.

### 13. Related parties

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Kiwi FRB ApS	Copenhagen