

Annual report



Max Property Fund II B.V.

Annual report 2020

1 July 2021

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GENERAL INFORMATION

Legal name

Max Property Fund II B.V.

Chamber of Commerce number

72894695

Business address

Brielselaan 85
3081 AB ROTTERDAM
THE NETHERLANDS

Administrator

CONFIDON Breda B.V.
Lage Mosten 49
4822 NK BREDA
THE NETHERLANDS

Listing exchange

Nxchange B.V.
Herengracht 454
1017 CA AMSTERDAM
THE NETHERLANDS

Start date

19 October 2018

FINANCIAL STATEMENTS

BALANCE SHEET

After appropriation of results

	Note	31-Dec-2020 €	31-Dec-2019 €
<u>Fixed assets</u>			
Tangible fixed assets			
Properties	1	<u>0</u>	<u>256,541</u>
		0	256,541
<u>Current assets</u>			
Inventories			
Properties held for sale	2	<u>514,500</u>	<u>0</u>
		514,500	0
Short-term receivables			
Debtors and amounts to be invoiced	3	231	884
Intra-group receivables		35,024	30,700
Other short-term receivables		<u>4,392</u>	<u>876</u>
		39,647	32,460
ASSETS		<u>554,147</u>	<u>289,002</u>

BALANCE SHEET

After appropriation of results

	Note	31-Dec-2020 €	31-Dec-2019 €
<u>Equity</u>			
	4		
Share capital		1,000	1,000
Revaluation reserve		61,132	0
Other reserves		<u>-52,605</u>	<u>-29,618</u>
		9,527	-28,618
<u>Provisions</u>			
Provision deferred tax		<u>1,824</u>	<u>0</u>
		1,824	0
<u>Liabilities</u>			
<u>Long-term debts</u>			
	5		
Loans		<u>526,034</u>	<u>306,000</u>
		526,034	306,000
<u>Short-term debts</u>			
	6		
Creditors		2,908	3,264
Intra-group payables		3,394	0
Other short-term payables		<u>10,461</u>	<u>8,356</u>
		16,763	11,619
		<hr/>	<hr/>
LIABILITIES		<u>554,147</u>	<u>289,002</u>

INCOME STATEMENT

	Note	2020 €	2019 €
Revenues			
Revenue of facility services		191	0
Rent revenues		21,900	9,970
Cost of facility services		-44	0
Property operating expenses		<u>-3,287</u>	<u>-2,702</u>
Net revenues		18,761	7,267
Revaluation results		59,325	0
Sales expenses		0	1,210
Administrative expenses	7	8,781	6,183
Total expenses		<u>8,781</u>	<u>7,393</u>
Operating result		<u>69,305</u>	<u>-125</u>
Financial income and expenses	8	-29,337	-24,376
Result before tax		39,968	-24,502
Taxes	9	<u>-1,824</u>	<u>0</u>
Result after tax		<u>38,144</u>	<u>-24,502</u>

CASH FLOW STATEMENT

	2020 €	2019 €
Operating result	69,305	-125
Movements in inventories	-514,500	0
Movements in short-term receivables	-7,187	43,125
Movements in short-term debts	5,143	4,918
Movements in working capital	-516,544	48,043
Revaluation results	-59,325	0
Cash flow generated from operations	-506,563	47,918
Interest received and similar income	94	1,072
Interest paid and similar expenses	-29,431	-25,448
Cash flow from other operating activities	-29,337	-24,376
Cash flow from operating activities	-535,900	23,541
Investments in tangible assets	-198,634	-256,541
Disposals of tangible assets	514,500	0
Cash flow from investing activities	315,866	-256,541
Movements in long-term debts	526,034	233,000
Cash flow from financing activities	220,034	233,000
Movements in cash and cash equivalents	0	0

GENERAL INFORMATION

General corporate information

Corporate details

Max Property Fund II B.V.
Brielselaan 85
3081 AB Rotterdam
THE NETHERLANDS
Chamber of Commerce number 72894695

Date of incorporation

Max Property Fund II B.V. was incorporated on 19 October 2018.

Corporate activities

The main activities of the company consist of issuing bonds and attracting additional financing with the aim of investing in Dutch residential property.

Group relationships

Max Property Fund II B.V. does not hold any interest in other companies. All shares in the company are held by Max Property Group B.V..

The affiliated investment entities are:

Max Property Fund B.V.
Max Property Investment Group Plc
Max Property Deutschland B.V.

Tax status

The company is subject to Dutch corporate income tax.

Investment policy

Max Property Fund II B.V. invests in a portfolio of apartments in Rotterdam South, The Netherlands. Properties are mainly selected from the lower end of the market and often thereafter renovated and improved.

Average number of staff

In 2020 no staff was employed (2019:0,0).

Accounting principles for the preparation of the financial statements

Statement of compliance

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code (NL GAAP).

Financial year

The financial year is equal to the calendar year.

Comparison with previous year

The accounting principles for valuation and determination of the result are the same as those used in the previous year.

Valuation principles

General

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Tangible fixed assets

Tangible fixed assets are valued at acquisition costs or production costs including directly attributable costs less straight-line depreciation and impairments, unless stated otherwise. The depreciation costs are based on the estimated economic useful life, unless tax law demands lower maximum percentages, and are calculated on the basis of a fixed percentage of the cost price, taking into account a residual value, if applicable. Tax measures and facilities such as depreciation-at-will can be used. Depreciation commences from the date of initial use.

Gains and losses from the occasional sale of tangible fixed assets are included in depreciations and amortisations, unless stated otherwise.

Property that is held for investment purposes ('investment property') is valued initially at cost, including related transaction costs. After this initial recognition, investment property is carried at fair value. Fair value is defined as the value realised in a private sale of the property concerned in a fully let state, with purchasing costs payable by the purchaser.

The related transactions costs being capitalised include amongst others acquisition costs, transfer tax, notary costs, brokerage costs, cadastral costs, external due diligence costs and valuation costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will occur and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

The fair value is determined using appraisal by rotation of part of the portfolio every 3 years, as determined by professional independent external valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property. On the dates that no external valuation is available, the fair value is internally determined.

Both positive and negative changes in value of investment properties are recognised in the income statement when incurred. In addition, a revaluation reserve is formed and charged against other reserves for the unrealised positive changes in the value. If applicable a deferred tax liability is accounted for the unrealised valuations gains.

Properties eligible for disposal are classified as assets held for sale under inventories. When investment property is re-classified as property held for sale, it is initially valued at fair value.

Inventories

Inventories (stocks) are valued at cost price or lower realisable value. The cost price consists of the historical cost or production cost and costs incurred in order to bring the stocks to their current location and current condition. The production cost includes direct labour and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics. The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value the obsolescence of the inventories is taken into account.

Properties held for sale are initially valued at fair value, when transferred from investment property. Subsequently revaluations to a lower realisable value might occur.

Short-term receivables

Short-term receivables are carried at their nominal value, less any provisions deemed necessary to mitigate the risk of bad debt. These provisions are determined on the basis of an individual assessment of the receivables. Unless stated otherwise, the receivables have a maturity of less than 1 year.

Long-term debts

Long-term debts are initially valued at transaction price including transaction costs and valued at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

Principles for determination of the result

General

The result is the difference between the realisable value of the revenues and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised. The costs are determined taking into consideration the accounting principles referred to previously. The remaining income and expenditure are attributed to the reporting period to which they relate.

Property operating expenses

Property operating expenses are the costs related to the investment property insofar as they have not led to a capital gain and insofar as they are not borne by the tenants.

Administrative expenses

Administrative expenses are costs not directly related to property under management, such as amongst others office costs, consultancy costs, accounting and auditing expenses and depreciation on assets other than investment properties.

Financial income and expenses

Advisory fees, formalisation fees, succes fees, if related to financing transactions and profit-sharing or other performance-related fees to financiers are recognised under financial income and expenses.

Taxes

Tax charges on the income statement for a year comprise current and deferred tax and are calculated on results before taxes, taking into account any tax-exempt components of result and non-deductible costs.

Losses to be offset against probable future results are recognised as deferred tax asset while deferred tax liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date and valued at nominal value. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and/or if it is expected that the tax assets and liabilities will be realised simultaneously.

Principles for the preparation of the cash flow statement

General

The cash flow statement is prepared using the indirect method.

Cash flow from operating activities

Both the financial income and expenses as well as the movements in long-term loans and long-term debts are presented within the cash flow from operating activities as this most appropriately reflects the company's business activities.

NOTES TO THE FINANCIAL STATEMENTS

Tangible fixed assets (1, 2)

Overview of movements

The movements in the tangible fixed assets during the reporting period were as follows:

	Properties €	Total €
Total purchased/invested	256,541	256,541
Ending balance at 31-Dec-2019	256,541	256,541
Purchases/investments	198,634	198,634
Disposals/to assets held for sale	-514,500	-514,500
Revaluations	59,325	59,325
Total movements	-256,541	-256,541
Total purchased/invested	-59,325	-59,325
Total revaluations	59,325	59,325
Ending balance at 31-Dec-2020	0	0

Property portfolio

The property portfolio consisted at the reporting date of the following properties:

	31-Dec-2020 Book value €	31-Dec-2020 Estim. value unlet €	31-Dec-2019 Book value €	31-Dec-2019 Estim. value unlet €
NL, Rotterdam, Pleinweg 80B	141,000	155,000	127,019	159,000
NL, Rotterdam, Wolphaertsbocht 279C	141,000	151,000	129,523	153,000
NL, Rotterdam, Pleinweg 112C	232,500	232,500	0	0
	514,500	538,500	256,541	312,000

This year no external appraisals have been conducted. The property Pleinweg 112C, Rotterdam has been sold in June 2021 and is therefore valued at the sales proceeds. The other properties are currently offered for sale as well and the stated value in unlet state is a conservative estimate of the expected sales proceeds.

Short-term receivables (3)

	31-Dec-2020 €	31-Dec-2019 €
Debtors	231	884
Current account with Max Property Fund B.V.	0	2
Current account with Max Vastgoedbeheer B.V.	31,000	30,056
Current account with Stichting Max Crowdfund Escrow Foundation	4,024	456
Current account with Max Property Group B.V.	0	186
Other short-term receivables	4,392	876
	39,647	32,460

The other short-term receivables include prepaid costs, accrued income related to the reporting period or earlier which have not been received yet and other short-term receivables.

Equity (4)

Overview of movements

The movements in equity during the reporting period were as follows:

	Share capital €	Revaluation reserve €	Other reserves €	Total €
Ending balance at 31-Dec-2018	1,000	0	-5,116	-4,116
Allocated result	0	0	-24,502	-24,502
Total movements	0	0	-24,502	-24,502
Ending balance at 31-Dec-2019	1,000	0	-29,618	-28,618
Allocated to the reserve	0	61,132	0	61,132
Released from the reserve	0	0	-61,132	-61,132
Allocated result	0	0	38,144	38,144
Total movements	0	61,132	-22,988	38,144
Ending balance at 31-Dec-2020	1,000	61,132	-52,605	9,527

Issued share capital

The issued and paid up share capital of the company as per the reporting date is divided over 1,000 shares with a par value of € 1.00.

Long-term debts (5)

The movements in long-term debts during the reporting period were as follows:

	6,25% MPF II Property Bonds 2018-2028 €	6,25% MPF II Property Bonds 2018-2028 Nxchange €	Profit share 6,25% MPF II Property Bonds 2018-2028 Nxchange €	Total €
Original loan amount	306,000	0	0	306,000
Ending balance at 31-Dec-2019	306,000	0	0	306,000
Additions	0	515,684	10,350	526,034
Repayments	-306,000	0	0	-306,000
Total movements	-306,000	515,684	10,350	220,034
Ending balance at 31-Dec-2020	0	515,684	10,350	526,034
Long-term portion	0	515,684	10,350	526,034

The long-term portions of the debts all have an original maturity within five years of the reporting date, which also applies to the previous year.

No securities have been provided for the long-term debts.

Short-term debts (6)

	31-Dec-2020	31-Dec-2019
	€	€
Creditors	2,908	3,264
Current account with Max Property Fund B.V.	3,214	0
Current account with Max Property Deutschland B.V.	180	0
Deposits received	1,715	1,715
Other short-term payables	8,746	6,641
	16,763	11,619

The other short-term payables include accruals for costs that have not been paid yet, prepaid income and other short-term payables.

Administrative expenses (7)

	2020	2019
	€	€
General expenses	8,781	6,183
	8,781	6,183

Financial income and expenses (8)

	2020	2019
	€	€
<u>Interest paid and similar expenses</u>		
Interest 6,25% MPF II Property Bonds 2018-2028	4,781	14,691
Interest 6,25% MPF II Property Bonds 2018-2028 Nxchange	22,155	0
Profit share 6,25% MPF II Property Bonds 2018-2028 Nxchange	10,350	0
Advisory fees, formalisation fees and other transaction related expenses	0	3,025
Interest paid on intra-group current accounts	122	520
Bank interest and charges	120	129
	29,431	25,448
<u>Interest received and similar income</u>		
Interest received on intra-group current accounts	94	1,072
	94	1,072
	-29,337	-24,376

Taxes (9)

	2020	2019
	€	€
Movement in deferred tax assets and liabilities	1,824	0
	1,824	0

OTHER INFORMATION

Provisions governing the appropriation of results

The provisions governing the appropriation of results are set out in the articles of association of the company. The general meeting of shareholders is authorized to allocate the profit determined in the adoption of the annual accounts and to determine the distributions, insofar as the equity exceeds the reserves that must be maintained by law. A resolution of the general meeting that seeks payment shall have no consequences as long as the board of directors has not granted approval.

Appropriation of results 2020

In accordance with the legal and statutory provisions the board of directors propose the following appropriation of the profit:

Profit over 2020:	€ 38,144
Allocation to the other reserves:	€ 38,144
	€ 38,144

This appropriation has already been accounted for in the financial statements.

Responsibility statement

The financial statements have been prepared by the administrator (CONFIDON Breda B.V.) under the instruction and final responsibility of the board of directors.

The board of directors declares that, to the best of its knowledge, the financial statements over 2020 give a true and fair view of the assets, liabilities, financial position, and profit or loss of Max Property Fund II B.V., and of the uncertainties it is facing and that the information contained therein has no omissions likely to modify significantly the scope of any statements made.

On behalf of the administrator the financial statements are signed by J.P. van Herwaarden (Jacco) and on behalf of the board of directors (Max Property Group B.V.) the annual report is signed by A. Visser (Anne) and E.C. van Kekem (Erwin).