Jacob Jensen Design A/S

Hejlskovvej 106, Hejlskov, 7840 Højslev

CVR no. 26 38 70 00

Annual report 2016

Approved at the annual general meeting of shareholders on 31 May 2017

Chairman:

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Jacob Jensen Design A/S for the financial year 1 January - 31 December 2016.

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 financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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

We recommend that the annual report be approved at the annual general meeting.

Hejlskov, 31 May 2017
Executive Board:

Jens Bredo

Board of Directors:

Lars Kolind Chairman	Kenneth Spencer Chang	Timothy Jacob Jensen

Jens Bredo

Independent auditor's report

To the shareholder of Jacob Jensen Design A/S

Opinion

We have audited the financial statements of Jacob Jensen Design A/S for the financial year 1 January - 31 December 2016, 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 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 rules and 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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.

Independent auditor's report

- 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 conclusion is 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 note 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 the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the 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 the Management's review.

Aarhus, 31 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lone N. Eskildsen

Lone Nørgaard Eskildsen
State Authorised Public Accountant

Management's review

Company details

Name	Jacob Jensen Design A/S
Address, Postal code, City	Hejlskovvej 106, Hejlskov, 7840 Højslev
CVR no.	26 38 70 00
Established	30 November 2001
Registered office	Skive
Financial year	1 January - 31 December
Website	www.jacobjensendesign.com
Board of Directors	Lars Kolind, Chairman Kenneth Spencer Chang Timothy Jacob Jensen Jens Bredo
Executive Board	Jens Bredo
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Salling Bank

Management's review

Management commentary

Business review

The Company's most significant business activities relate to the sale of product design, design and branding services which also include royalty income in connection with the sale of products under the JACOB JENSEN brand and the customers' use of JACOB JENSEN DESIGN as reference on products designed.

The activities are operated through the Company's three design studios in Denmark, China and Thailand. Together with local universities, the foreign design studios moreover offer local students to train them in Danish design tradition of which JACOB JENSEN through the past 60 years has been and still is a unique exponent of.

Unusual matters having affected the financial statements

The loss for the year is negatively affected by the close-down of part of the activities in the Company. Close-down costs relate to the activities surrounding product sale and company-driven product development.

Going concern

In the year under review, the Company's shareholders made a contribution of DKK 9,000 thousand to finance the winding up of loss-making activities; and having adjusted the organisational structure as part of the changed strategy, future operations are expected to be effected within the credit lines established. For 2017, the Company expects to enjoy positive results of operations and to reestablish equity in the foreseeable future through own earnings and the conclusion of strategic cooperations.

Financial review

The income statement for 2016 shows a loss of DKK 23,373,404 against DKK 7,205,104 last year, and the balance sheet at 31 December 2016 shows a negative equity of DKK 10,280,065.

The loss for the year, which Management considers to be very unsatisfactory, primarily relates to the fact that the planned expansion, within the Company's existing framework, to develop, market and sale products under the JACOB JENSEN brand in the course of the year turned out not to be economically viable. Mid 2016, the strategic focus was changed which implied massive costs for the close-down in the form of development costs incurred and the payment of liabilities in respect of suppliers and employees.

In future, the Company will focus on its original core business; sale of product design, design and branding services. At the same time, the Company will look into and assess the potential of utilising and capitalising the JACOB JENSEN brand e.g. through strategic cooperations.

Thus, Management is of the opinion that the JACOB JENSEN brand, in cooperation with the right partners within technology, manufacturing, marketing and sale, holds considerable unutilised potential in the global competition for which design and brand are important parameters in relation to the optimisation of market extension, revenue and earnings.

Outlook

For 2017, the Company expects to report a profit and to reestablish equity within a foreseeable future through own earnings and the conclusion of strategic cooperations.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	-806,178	-1,909,890
4	Staff costs	-9,827,723	-6,066,676
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-159,206	-329,905
	Other operating expenses	-11,444,610	-82,056
	Profit/loss before net financials	-22,237,717	-8,388,527
	Financial income	3,195	1,535
5	Financial expenses	-988,507	-305,350
	Profit/loss before tax	-23,223,029	-8,692,342
6	Tax for the year	105,361	1,687,521
	Other taxes	-255,736	-200,283
	Profit/loss for the year	-23,373,404	-7,205,104

	2016	2015
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-23,373,404	-7,205,104
	-23,373,404	-7,205,104

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Fixed assets		
7	**Intangible assets**		
	Trademark registrations	0	241,483
	Development projects in progress and prepayments for intangible assets	0	3,832,720
		0	4,074,203
8	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	94,556	197,651
	Leasehold improvements	88,115	144,226
		182,671	341,877
	Investments		
	Other receivables	208,558	94,515
		208,558	94,515
	Total fixed assets	391,229	4,510,595
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	0	1,252,545
	Prepayments for goods	0	740,972
		0	1,993,517
	Receivables		
	Trade receivables	2,407,099	1,501,549
9	Deferred tax assets	2,461,000	2,461,000
	Other receivables	452,405	1,944,164
	Deferred income	14,610	294,601
		5,335,114	6,201,314
	Securities and investments	11,515	8,645
	Cash	9,626	4,867,114
	Total non-fixed assets	5,356,255	13,070,590
	TOTAL ASSETS	5,747,484	17,581,185

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	1,779,000	1,275,000
	Retained earnings	-12,059,065	2,818,339
	Total equity	-10,280,065	4,093,339
	Liabilities		
11	**Non-current liabilities other than provisions**		
	Other payables	6,734,612	4,766,056
		6,734,612	4,766,056
	Current liabilities		
11	Current portion of long-term liabilities	0	61,877
	Bank debt	5,112,896	4,536,310
	Prepayments received from customers	480,265	239,400
	Trade payables	381,155	1,228,721
	Payables to group entities	1,230,515	825,949
	Payables to shareholders and management	1,796	1,364
	Other payables	1,593,677	1,435,002
	Prepayments	492,633	393,167
		9,292,937	8,721,790
	Total liabilities other than provisions	16,027,549	13,487,846
	TOTAL EQUITY AND LIABILITIES	5,747,484	17,581,185

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Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2016	1,275,000	2,818,339	4,093,339
Capital increase	504,000	8,496,000	9,000,000
Transfer, see "Appropriation of loss"	0	-23,373,404	-23,373,404
Equity at 31 December 2016	1,779,000	-12,059,065	-10,280,065

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Jacob Jensen Design A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Income from the rendering of services, which comprises designing products, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Licence and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	3 years
Trademark registrations	5 years

The residual value is determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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 is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Other taxes comprise taxes paid to other countries.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

2 **Going concern uncertainties**

In the year under review, the Company's shareholders made a contribution of DKK 9,000 thousand to finance the winding up of loss-making activities; and having adjusted the organisational structure as part of the changed strategy, future operations are expected to be effected within the credit lines established. For 2017, the Company expects to enjoy positive results of operations and to reestablish equity in the foreseeable future through own earnings and the conclusion of strategic cooperations.

3 **Special items**

As stated in the Management's review, the loss for the year is negatively affected by the dissolution of part af the Company's activities. The costs of the close-down relate to the product sale and company-driven product development activities. According to Management, these activities differ from the primary operations and are therefore included in this note.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK	2016	2015
Expenses		
Inventory write-downs	1,190,941	0
Termination of manufacturing contracts, etc.	6,179,466	0
Payroll costs, employees discharged	523,038	0
Costs relating to employees discharged	127,340	0
Depreciation charges re. fixed assets scrapped	4,074,203	0
	12,094,988	0
Special items are recognised in the below items of the financial statements		
Gross margin	127,340	0
Staff costs	523,038	0
Other operating expenses	11,444,610	0
Net profit on special items	12,094,988	0

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK	2016	2015
4	**Staff costs**		
	Wages/salaries	9,225,934	5,787,487
	Pensions	207,876	133,089
	Other social security costs	53,247	67,933
	Other staff costs	340,666	78,167
		9,827,723	6,066,676

		2016	2015
	Average number of full-time employees	21	18

	DKK	2016	2015
5	**Financial expenses**		
	Interest expenses, group entities	14,354	82,832
	Other financial expenses	974,153	222,518
		988,507	305,350
6	**Tax for the year**		
	Estimated tax charge for the year	-105,361	-906,410
	Deferred tax adjustments in the year	0	-745,770
	Tax adjustments, prior years	0	-35,341
		-105,361	-1,687,521

Financial statements for the period 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK	Trademark registrations	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2016	254,193	3,832,720	4,086,913
Disposals in the year	-254,193	-3,832,720	-4,086,913
Cost at 31 December 2016	0	0	0
Impairment losses and amortisation at 1 January 2016	12,710	0	12,710
Reversal of amortisation and impairment of disposals	-12,710	0	-12,710
Impairment losses and amortisation at 31 December 2016	0	0	0
Carrying amount at 31 December 2016	0	0	0

8 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2016	2,119,566	220,641	2,340,207
Disposals in the year	-1,164,074	0	-1,164,074
Cost at 31 December 2016	955,492	220,641	1,176,133
Impairment losses and depreciation at 1 January 2016	1,921,915	76,415	1,998,330
Depreciation in the year	103,095	56,111	159,206
Reversal of depreciation and impairment of disposals	-1,164,074	0	-1,164,074
Impairment losses and depreciation at 31 December 2016	860,936	132,526	993,462
Carrying amount at 31 December 2016	94,556	88,115	182,671
Amortised over	3-5 years	3-5 years	

9 Deferred tax assets

Of the deferred tax asset, DKK 2,200 thousand is expected to be utilised more than one year as of the balance sheet date.

A further deferred tax asset of DKK 5,017 thousand have not been recognised due to the material uncertainty in utilising it.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2016	2015
10 Share capital		
Analysis of the share capital:		
1,779 shares of DKK 1,000.00 nominal value each	1,779,000	1,275,000
	1,779,000	1,275,000

Analysis of changes in the share capital over the past 5 years:

DKK	2016	2015	2014	2013	2012
Opening balance	1,275,000	1,265,000	1,260,000	400,000	400,000
Capital increase	504,000	10,000	5,000	860,000	400,000
	1,779,000	1,275,000	1,265,000	1,260,000	800,000

In connection with the capital increase, the Company incurred expenses totalling DKK 13 thousand.

11 Long-term liabilities

DKK	Total debt at 31/12 2016	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	6,734,612	0	6,734,612	2,137,753
	6,734,612	0	6,734,612	2,137,753

12 Contractual obligations and contingencies, etc.

Contingent liabilities

DKK	2016	

Other contingent liabilities

DKK	2016	2015
Other contingent liabilities	0	10,355,000
	0	10,355,000

The Company's royalty payments have been assigned to its bank.

The Company is jointly taxed with its parent company, Jacob Jensen Holding A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes.

Other financial obligations

Other rent and lease liabilities:

DKK	2016	2015
Rent and lease liabilities	3,095,000	3,880,000

Rent and lease liabilities include a rent obligation totalling DKK 2,696 thousand in interminable rent agreements with remaining contract terms of 1-7 years. Furthermore, the Company has liabilities under operating leases for cars, totalling DKK 399 thousand, with remaining contract terms of 2-3 years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

13 Collateral

As security for the Company's debt to banks and other lenders, the Company has placed floating charges, worth a total of DKK 19,500 thousand. The total carrying amount of the assets placed as collateral is DKK 2,590 thousand.

The Company has provided a guarantee for the parent company's debt to its banks.

The balances with the parent company have been assigned to the Company's bank.

14 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Jacob Jensen Holding A/S	Hejlskov, Danmark	Erhvervsstyrelsen