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A R C H COPENHAGEN APS
FRIIS HANSENS VEJ 5, 7100 VEJLE
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 16 July 2024**

Cy Waits

CVR NO. 27 58 18 70

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COMPANY DETAILS**Company**

A R C H COPENHAGEN ApS
Friis Hansens Vej 5
7100 Vejle

CVR No.: 27 58 18 70
Established: 31 January 2004
Municipality: Vejle
Financial Year: 1 January - 31 December

Executive Board

Cy Waits

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of A R C H COPENHAGEN ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Vejle, 16 July 2024

Executive Board

Cy Waits

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of A R C H COPENHAGEN ApS

Conclusion

We have performed an extended review of the Financial Statements of A R C H COPENHAGEN ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainty relating to Going Concern

We draw attention to note "Uncertainty with respect to going concern" in the annual report, which states that the company's earnings and liquidity during the financial year has been negatively affected as a result of the Covid-19 outbreak. This causes, that there is uncertainty that could raise doubts about the company's ability to continue operations.

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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

THE INDEPENDENT AUDITOR'S REPORT

Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management Commentary.

Copenhagen, 16 July 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ferass Hamade
State Authorised Public Accountant
MNE no. mne35441

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise of operating a nightclub.

Development in activities and financial and economic position

The Company's Income Statement of the financial year 2023 shows a result of DKK -1,344,846 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 6,513,083 and an equity of DKK -3,195,364.

In the light of the COVID19 pandemic the financials was negatively affected. Management have put in place appropriate contingency plans in order to reestablish the share capital.

During the shut down period i 2021-22, the management has finished the rebuilding of the nightklub.

The management maintains the expectation that are set for 2024, despite the significant financial impacts from COVID19.

The COVID19 pandic and mutiple government shutdowns has meant that the company's liquidity was under considerable pressure. The company has obtained a moratorium on repayment to the company's most important lenders and therefore it is management's expectation to stay within the credit limit or that these are expanded, on this basis management has chosen to prepare the annual report on the basis of going concern.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		10.831.024	11.885.866
Staff costs.....	2	-9.899.529	-10.431.048
Depreciation, amortisation and impairment losses.....		-2.204.234	-2.509.535
OPERATING LOSS		-1.272.739	-1.054.717
Other financial income.....		7	3.920
Other financial expenses.....	3	-557.046	-446.549
LOSS BEFORE TAX		-1.829.778	-1.497.346
Tax on profit/loss for the year.....	4	484.932	-287.647
LOSS FOR THE YEAR		-1.344.846	-1.784.993
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-1.344.846	-1.784.993
TOTAL		-1.344.846	-1.784.993

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Other plant, machinery tools and equipment.....		926.971	2.120.006
Leasehold improvements.....		659.963	1.647.512
Property, plant and equipment.....	5	1.586.934	3.767.518
Rent deposit and other receivables.....		694.996	694.996
Financial non-current assets.....	6	694.996	694.996
NON-CURRENT ASSETS.....		2.281.930	4.462.514
Raw materials and consumables.....		795.497	590.493
Inventories.....		795.497	590.493
Trade receivables.....		1.712.424	1.843.597
Deferred tax assets.....		1.297.641	812.709
Other receivables.....		172.443	146.393
Corporation tax receivable.....		0	1
Prepayments.....		56.991	29.729
Receivables.....		3.239.499	2.832.429
Cash and cash equivalents.....		196.157	346.377
CURRENT ASSETS.....		4.231.153	3.769.299
ASSETS.....		6.513.083	8.231.813

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		125.000	125.000
Retained earnings.....		-3.320.364	-1.975.518
EQUITY.....		-3.195.364	-1.850.518
Other non-current liabilities.....		3.528.756	3.724.087
Non-current liabilities.....	7	3.528.756	3.724.087
Bank debt.....		149.163	0
Trade payables.....		3.347.427	2.426.853
Debt to Group companies.....		447.812	488.680
Other liabilities.....		2.235.289	3.442.711
Current liabilities.....		6.179.691	6.358.244
LIABILITIES.....		9.708.447	10.082.331
EQUITY AND LIABILITIES.....		6.513.083	8.231.813
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EQUITY

DKK	Share Capital	Retained earnings	Total
Equity at 1 January 2023.....	125.000	-1.975.518	-1.850.518
Proposed profit allocation.....		-1.344.846	-1.344.846
Equity at 31 December 2023	125.000	-3.320.364	-3.195.364

NOTES

			Note
Other operating income			1
<p>In the Income Statement for 2023 an amount of DKK -37 t.DKK (2022: DKK 1,4 million) is recognised in Other operating income. This amount consists of final settlements for the wage compensation received from the danish government when no services are received from the employees in the company and compensation for fixed costs. The wage compensation and the compensation for fixed costs are part of the Danish economic stimulus packages due to Covid-19 and are special items.</p>			
	2023 DKK	2022 DKK	
Staff costs			2
Average number of full time employees	24	25	
Wages and salaries.....	9.723.369	10.269.559	
Social security costs.....	176.160	159.489	
Other staff costs.....	0	2.000	
	9.899.529	10.431.048	
Other financial expenses			3
Other interest expenses.....	557.046	446.549	
	557.046	446.549	
Tax on profit/loss for the year			4
Adjustment of deferred tax.....	-484.932	287.647	
	-484.932	287.647	
Property, plant and equipment			5
DKK	Other plant, machinery tools and equipment	Leasehold improvements	
Cost at 1 January 2023.....	5.245.611	8.409.982	
Additions.....	23.651	0	
Cost at 31 December 2023.....	5.269.262	8.409.982	
Depreciation and impairment losses at 1 January 2023.....	3.125.606	6.762.470	
Depreciation for the year.....	1.216.685	987.549	
Depreciation and impairment losses at 31 December 2023....	4.342.291	7.750.019	
Carrying amount at 31 December 2023.....	926.971	659.963	

NOTES

	Note
Financial non-current assets	6
DKK	Rent deposit and other receivables
Cost at 1 January 2023.....	694.996
Cost at 31 December 2023.....	694.996
Carrying amount at 31 December 2023.....	694.996

Long-term liabilities					7
DKK	31/12 2023	Repayment	Debt	31/12 2022	
	total liabilities	next year	outstanding	total liabilities	
			after 5 years		
Other non-current liabilities.....	3.911.556	382.800	0	3.724.087	
	3.911.556	382.800	0	3.724.087	

Contingencies etc. **8**
Contingent assets

The company has entered into lease contracts for premises, which can be terminated with 3 months notice. The rent obligation amounts to t.DKK 471 per. December 31, 2023.

The company has entered into a lease which can be terminated with 6 months notice. The lease obligation amounts to t.DKK 644 per. December 31, 2023.

Joint liabilities

The company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Holdingselskabet I af 17. januar 2020 ApS, which serves as management company for the joint taxation.

Charges and securities **9**

As security for debt to Vækstfonden of t.DKK 2,376, the company has provided a corporate mortgage with a nominal value of t.DKK 2,000. The corporate mortgage comprises Other plant, machinery tools and equipment, Inventories and Trade receivables with a total booked value at the balance sheet date of t.DKK 3,299.

NOTES

Note

Information on uncertainty with respect to going concern

10

In the light of the COVID19 pandemic there have been an increased uncertainty regarding the financial outlook for 2021 and 2022. Management have put in place appropriate contingency plans in order to prepare for the impact of the COVID19 pandemic. The management maintains the expectation that are set for 2024, despite the significant financial impacts from COVID19.

The nightclub was forcibly shut down several times due to government restrictions in 2021-22 due to the COVID19 pandemic.

During the shut down period, the management has finished an extensive rebuilding of the nightclub.

The above has meant that the company's liquidity was under considerable pressure. The company's ability to continue operations depends on a number of uncertain conditions in the form of e.g. the speed with which the economy of society develops subsequent the COVID19 pandemic. These conditions mean that there is significant uncertainty that may raise significant doubts about the company's ability to continue operations.

The company has obtained a moratorium on repayment to the company's most important lenders and, in addition, a statement of support obtained from the parent company and therefore it is management's expectation to stay within the credit limit or that these are expanded. On this basis management has chosen to prepare the annual report on the basis of going concern.

ACCOUNTING POLICIES

The Annual Report of A R C H COPENHAGEN ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

ACCOUNTING POLICIES

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0%
Leasehold improvements.....	3-5 years	0%

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is the higher of the capital value and the selling price less the expected costs of a sale. The capital value is stated at the present value of the expected net cash flows from a continued use of the asset or group of assets and the expected proceeds from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.