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CVR no. 20 22 26 70

**A R C H COPENHAGEN APS**  
**FRIIS HANSENS VEJ 5, 7100 VEJLE**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2020**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 27 June 2021**

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**Christian Bülow**

**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  
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 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 27 June 2021

Executive Board

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Cy Waits

## THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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 2020, 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 2020** and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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' 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Emphasis of matter

We draw attention to note 7 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.

Our conclusion is not modified regarding this relationship.

### 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.

### Statement on the Management's Review

## THE INDEPENDENT AUDITOR'S REPORT

Management is responsible for the Management's Review.

Our conclusion 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 extended review 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 extended review, 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 the work we have performed, 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 Statements Act. We did not identify any material misstatement in the Management's Review.

Copenhagen, 27 June 2021

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 2020 shows a result of DKK 5.282.951 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 29.560.193 and an equity of DKK 5.322.951.

In the light of the current COVID19 pandemic there is increased uncertainty regarding the financial outlook for 2021. Management have put in place appropriate contingency plans in order to prepare for a longer impact of the COVID19 pandemic. The management maintains the expectation that are set for 2021, despite the expected potential significant financial impacts from the current crisis.

The nightclub is forcibly shut down due to government restrictions due to the covid-19 pandemic. The government has decided that nightclubs are allowed to open on 1 September 2021.

During the shut down period, the management has initiated an extensive rebuilding of the nightklub which is expected to be completed by end of July 2021.

The above has meant that the company's liquidity is expected to come under considerable pressure. The company's ability to continue operations depends on a number of uncertain conditions in the form of e.g. the prevalence of Covid-19, the temporal extent of anti-proliferation restrictions, the extend of economic compensation packages for companies and the speed with which the economy of society develops subsequently. These conditions mean that there is significant uncertainty that may raise significant doubts about the company's ability to continue operations.

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	2020 DKK	2019 DKK
<b>GROSS PROFIT</b> .....		<b>3.865.147</b>	<b>9.793.875</b>
Staff costs.....	1	-5.304.900	-7.685.750
Depreciation, amortisation and impairment losses.....		-1.324.616	-1.389.469
<b>OPERATING LOSS</b> .....		<b>-2.764.369</b>	<b>718.656</b>
Other financial expenses.....		-49.369	-12.846
<b>LOSS BEFORE TAX</b> .....		<b>-2.813.738</b>	<b>705.810</b>
Tax on profit/loss for the year.....	2	767.525	-161.192
<b>LOSS FOR THE YEAR</b> .....		<b>-2.046.213</b>	<b>544.618</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		-2.046.213	544.618
<b>TOTAL</b> .....		<b>-2.046.213</b>	<b>544.618</b>



**BALANCE SHEET AT 31 DECEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Other plant, machinery tools and equipment.....		1.343.740	1.966.541
Leasehold improvements.....		1.878.503	0
<b>Property, plant and equipment.....</b>	<b>3</b>	<b>3.222.243</b>	<b>1.966.541</b>
Rent deposit and other receivables.....		764.844	937.415
<b>Financial non-current assets.....</b>	<b>4</b>	<b>764.844</b>	<b>937.415</b>
<b>NON-CURRENT ASSETS.....</b>		<b>3.987.087</b>	<b>2.903.956</b>
Raw materials and consumables.....		951.000	886.000
<b>Inventories.....</b>		<b>951.000</b>	<b>886.000</b>
Trade receivables.....		350.957	1.481.823
Deferred tax assets.....		578.332	0
Other receivables.....		2.577.778	105.319
Prepayments.....		0	16.000
<b>Receivables.....</b>		<b>3.507.067</b>	<b>1.603.142</b>
<b>Cash and cash equivalents.....</b>		<b>199.035</b>	<b>1.427.963</b>
<b>CURRENT ASSETS.....</b>		<b>4.657.102</b>	<b>3.917.105</b>
<b>ASSETS.....</b>		<b>8.644.189</b>	<b>6.821.061</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Share capital.....		125.000	125.000
Retained earnings.....		1.660.285	3.706.498
<b>EQUITY.....</b>		<b>1.785.285</b>	<b>3.831.498</b>
Provision for deferred tax.....		0	41.000
<b>PROVISIONS.....</b>		<b>0</b>	<b>41.000</b>
Subordinate loan capital.....		1.505.625	0
Frozen holiday pay.....		120.881	45.000
<b>Non-current liabilities.....</b>	<b>5</b>	<b>1.626.506</b>	<b>45.000</b>
Trade payables.....		3.133.744	1.445.065
Debt to Group companies.....		635.378	0
Corporation tax payable.....		0	148.192
Other liabilities.....		1.463.276	1.310.306
<b>Current liabilities.....</b>		<b>5.232.398</b>	<b>2.903.563</b>
<b>LIABILITIES.....</b>		<b>6.858.904</b>	<b>2.948.563</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>8.644.189</b>	<b>6.821.061</b>
 Contingencies etc.	 6		
Uncertainty with respect to going concern	7		

## EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2020.....	125.000	3.706.498	3.831.498
Proposed profit allocation.....		-2.046.213	-2.046.213
<b>Equity at 31 December 2020.....</b>	<b>125.000</b>	<b>1.660.285</b>	<b>1.785.285</b>

## NOTES

			Note
<b>Staff costs</b>			<b>1</b>
Average number of employees	12	14	
Wages and salaries.....	4.546.603	5.990.209	
Social security costs.....	89.743	98.511	
Other staff costs.....	668.554	1.597.030	
	<b>5.304.900</b>	<b>7.685.750</b>	
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	0	148.192	
Adjustment of tax in previous years.....	-148.193	0	
Adjustment of deferred tax.....	-619.332	13.000	
	<b>-767.525</b>	<b>161.192</b>	
<b>Property, plant and equipment</b>			<b>3</b>
	Other plant, machinery tools and equipment	Leasehold improvements	
Cost at 1 January 2020.....	6.622.939	0	
Additions.....	701.814	1.878.503	
Cost at 31 December 2020.....	<b>7.324.753</b>	<b>1.878.503</b>	
Depreciation and impairment losses at 1 January 2020.....	4.656.397	0	
Depreciation for the year.....	1.324.616	0	
Depreciation and impairment losses at 31 December 2020....	<b>5.981.013</b>	<b>0</b>	
Carrying amount at 31 December 2020.....	<b>1.343.740</b>	<b>1.878.503</b>	
<b>Financial non-current assets</b>			<b>4</b>
		Rent deposit and other receivables	
Cost at 1 January 2020.....		761.197	
Additions.....		3.647	
Cost at 31 December 2020.....		<b>764.844</b>	
Carrying amount at 31 December 2020.....		<b>764.844</b>	

NOTES

	<b>Note</b>
<b>Long-term liabilities</b>	<b>5</b>

	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Subordinate loan capital.....	1.505.625	0	0	0
Frozen holiday pay.....	120.881	0	0	45.000
	<b>1.626.506</b>	<b>0</b>	<b>0</b>	<b>45.000</b>

<b>Contingencies etc.</b>	<b>6</b>
<b>Contingent assets</b>	

The company has entered into lease contracts for premises, which can be terminated with 3 months notice. The rent obligation amounts to DKK 347 thousand. per. December 31, 2020.

The company has entered into a lease which can be terminated with 6 months notice. The lease obligation amounts to DKK 625 thousand. per. December 31, 2020.

The company has entered into operational lease with an average annual lease payment of DKK 19 thousands. The lease have 12 months to maturity and total outstanding lease payments total DKK 19 thousands.

<b>Uncertainty with respect to going concern</b>	<b>7</b>
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In the light of the current COVID19 pandemic there is increased uncertainty regarding the financial outlook for 2021. Management have put in place appropriate contingency plans in order to prepare for a longer impact of the COVID19 pandemic. The management maintains the expectation that are set for 2021, despite the expected potential significant financial impacts from the current crisis.

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During the shut down period, the management has initiated an extensive rebuilding of the nightclub which is expected to be completed by end of July 2021.

The above has meant that the company's liquidity is expected to come under considerable pressure. The company's ability to continue operations depends on a number of uncertain conditions in the form of e.g. the prevalence of COVID19, the temporal extent of anti-proliferation restrictions, the extend of economic compensation packages for companies and the speed with which the economy of society develops subsequently. These conditions mean that there is significant uncertainty that may raise significant doubts about the company's ability to continue operations.

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 2020 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.

### 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.

### 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 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
Buildings.....	x-x years	x-x %
Other investment assets.....	x-x years	x-x %
Production plant and machinery.....	x-x years	x-x %
Other plant, fixtures and equipment.....	x-x years	
Leasehold improvements.....	x-x years	

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.

**Fixed asset investments**

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

**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.

**Receivables**

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

## ACCOUNTING POLICIES

### 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.

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.