

# Fairytale Copenhagen ApS

Furesøgårdsvej 16, 3520 Farum

CVR no. 28 30 07 51

## Annual report 2017

Approved at the Company's annual general meeting on 31 May 2018

Chairman:

  
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Vilia Huei-Chu Fehr





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### Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Fairytale Copenhagen ApS for the financial year 1 January - 31 December 2017.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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

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

Copenhagen, 31 May 2018  
Executive Board:

A handwritten signature in blue ink, reading 'Vilia H.-C.W. Fehr'.

Vilia Huei-Chu Fehr

## Independent auditor's report

To the shareholder of Fairytale Copenhagen ApS

### Opinion

We have audited the financial statements of Fairytale Copenhagen ApS for the financial year 1 January - 31 December 2017, which comprise 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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### 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 as to 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 scepticism 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.



## Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ 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 conclusions are 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 the Management's review

Management is responsible for the Management's review.

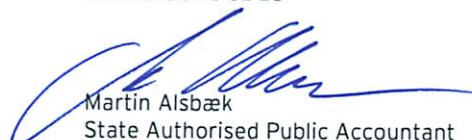
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Martin Alsbaek  
State Authorised Public Accountant  
MNE no.: mne28627



## Management's review

### Company details

Name	Fairytale Copenhagen ApS
Address, Postal code, City	c/o Henrik Fehr Furesøgårdsvej 16, 3520 Farum
CVR no.	28 30 07 51
Registered office	Farum
Financial year	1 January - 31 December
Executive Board	Vilia Huei-Chu Fehr
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea

### Management commentary

#### Business review

The Company designs and sells jewelry watches and jewelry.

#### Financial review

The income statement for 2017 shows a profit of DKK 93,646 against a loss of DKK 211,979 last year, and the balance sheet at 31 December 2017 shows a negative equity of DKK 131,202.

Management is aware of the capital loss provisions of the Danish Companies Act and expects to be able to restore the share capital through future operations.

#### Going concern

In order for the Company to be able to remain a going concern, the majority shareholder must maintain and contribute the required liquidity.

The majority shareholder has confirmed in writing that she will provide the Company with the required liquidity until the date of the annual general meeting regarding the annual report for 2018.

Reference is made to note 2.

#### Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2017	2016
	Gross margin	100,556	-203,295
3	Staff costs	0	0
	Profit/loss before net financials	100,556	-203,295
4	Financial expenses	-6,910	-8,684
	Profit/loss for the year	93,646	-211,979
	Recommended appropriation of profit/loss	93,646	-211,979
	Retained earnings/accumulated loss	93,646	-211,979



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2017	2016
	<b>ASSETS</b>		
	Current assets		
	Receivables		
	Trade receivables	297,672	0
		297,672	0
	Cash	165,277	864,723
	Total current assets	462,949	864,723
	<b>TOTAL ASSETS</b>	462,949	864,723
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
5	Share capital	250,000	250,000
	Retained earnings	-381,202	-474,848
	Total equity	-131,202	-224,848
	Current liabilities		
	Trade payables	13,000	12,499
	Other payables	581,151	1,077,072
	Total current liabilities	594,151	1,089,571
	Total liabilities	594,151	1,089,571
	<b>TOTAL EQUITY AND LIABILITIES</b>	462,949	864,723

- 1 Accounting policies
- 2 Going concern uncertainties
- 6 Contingent assets
- 7 Collateral





## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2017	250,000	-474,848	-224,848
Transfer through appropriation of profit	0	93,646	93,646
Equity at 31 December 2017	250,000	-381,202	-131,202

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Fairytale Copenhagen ApS for 2017 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.

#### Income statement

##### Revenue

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

Other external expenses include expenses relating to administration, etc.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, etc.

##### Staff costs

No wages or salaries were paid in the financial year.

##### 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.

#### Balance sheet

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less impairment losses.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 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.

##### Other payables

Other payables are measured at net realisable value.

#### 2 Going concern uncertainties

In order for the Company to be able to remain a going concern, the majority shareholder must maintain and contribute the required liquidity.

The majority shareholder has confirmed in writing that she will provide the Company with the required liquidity until the date of the annual general meeting regarding the annual report for 2018.

#### 3 Staff costs

No wages or salaries were paid in the financial year.

DKK	2017	2016
4 Financial expenses		
Exchange adjustments	0	2,907
Other financial expenses	6,910	5,777
	<u>6,910</u>	<u>8,684</u>

#### 5 Share capital

The Company's share capital has remained DKK 250,000 over the past 5 years.

#### 6 Contingent assets

The Company has tax loss carry-forwards totalling DKK 589 thousand.

The tax asset has not been recognised in the financial statements due to uncertainty as to when it may be utilised.

#### 7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2017.