



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Ole Lynggaard Retail ApS

Hellerupvej 15 B, 2900 Hellerup

Company reg. no. 28 71 33 55

Annual report

1 January - 31 December 2015

The annual report has been submitted and approved by the general meeting on the 20 April 2016.

Søren Lynggaard
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.



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Management's report

The board of directors and the managing director have today presented the annual report of Ole Lynggaard Retail ApS for the financial year 1 January to 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 22 March 2016

Managing Director



Søren Ole Lynggaard

Board of directors



Ole Lynggaard



Søren Ole Lynggaard



Charlotte Lynggaard



The independent auditor's reports

To the shareholder of Ole Lynggaard Retail ApS

Report on the annual accounts

We have audited the annual accounts of Ole Lynggaard Retail ApS for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.



The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 22 March 2016

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
CVR-nr. 15 91 56 41


Torben Laurentz Wiberg
State Authorised Public Accountant



Company data

The company

Ole Lynggaard Retail ApS
Hellerupvej 15 B
2900 Hellerup

Company reg. no.: 28 71 33 55

Financial year: 1 January - 31 December

Board of directors

Ole Lynggaard
Søren Ole Lynggaard
Charlotte Lynggaard

Managing Director

Søren Ole Lynggaard

Auditors

Christensen Kjørulff Statsautoriseret Revisionsaktieselskab

Parent company

Ole Lynggaard A/S



Management's review

Principal activities

The principal activities of the company consist of equity investments in group enterprises operating in retail and webshop with Ole Lynggaard jewellery.

Development in activities and financial matters

The gross loss for the year is DKK -4.000 against DKK -5.000 last year. The results from ordinary activities after tax are DKK 1.431.000 against DKK 812.000 last year. The management considers the results satisfactory.

The development of the company's activities and financial conditions are shown in the following profit and loss account and balance sheet. Similar results are expected in the following financial year.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.



Profit and loss account 1 January - 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Operating profit	-4.000	-5
Income from equity investments in group enterprises	1.434.220	824
1 Other financial costs	<u>0</u>	<u>-11</u>
Results before tax	1.430.220	808
Tax of the results for the year	<u>940</u>	<u>4</u>
Results for the year	<u>1.431.160</u>	<u>812</u>
Proposed distribution of the results:		
Reserves for net revaluation as per the equity method	1.434.220	857
Allocated from results brought forward	<u>-3.060</u>	<u>-45</u>
Distribution in total	<u>1.431.160</u>	<u>812</u>



Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

Assets			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Fixed assets			
2	Equity investments in group enterprises	<u>2.793.057</u>	<u>1.316</u>
	Financial fixed assets in total	<u>2.793.057</u>	<u>1.316</u>
	Fixed assets in total	<u>2.793.057</u>	<u>1.316</u>
Current assets			
	Receivable corporate tax	940	4
	Other debtors	<u>55.991</u>	<u>0</u>
	Debtors in total	<u>56.931</u>	<u>4</u>
	Current assets in total	<u>56.931</u>	<u>4</u>
	Assets in total	<u>2.849.988</u>	<u>1.320</u>



Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

Equity and liabilities			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Equity			
3	Share capital	125.000	125
4	Reserves for net revaluation as per the equity method	2.426.166	949
5	Results brought forward	-140.477	-138
	Equity in total	<u>2.410.689</u>	<u>936</u>
Liabilities			
	Trade creditors	5.000	5
	Debt to group enterprises	429.300	373
	Other liabilities	4.999	6
	Short-term liabilities in total	<u>439.299</u>	<u>384</u>
	Liabilities in total	<u>439.299</u>	<u>384</u>
	Equity and liabilities in total	<u>2.849.988</u>	<u>1.320</u>

6 Contingencies



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	2015	2014
1. Other financial costs		
Interest, group enterprises	0	11
	0	11
2. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2015	366.891	341
Additions during the year	0	26
Cost 31 December 2015	366.891	367
Revaluations, opening balance 1 January 2015	949.687	168
Translation by use of the exchange rate valid on balance sheet date	42.259	-43
Results for the year before goodwill amortisation	1.434.220	824
Revaluation 31 December 2015	2.426.166	949
Book value 31 December 2015	2.793.057	1.316

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year	Book value at Ole Lynggaard Retail ApS
Ole Lynggaard Retail Danmark ApS,	100 %	1.527.611	712.072	1.527.611
Ole Lynggaard Retail Sverige ApS,	100 %	324.939	56.531	324.939
Ole Lynggaard Copenhagen PTY LTD,	100 %	867.272	616.816	867.272
Ole Lynggaard Retail Norge AS,	100 %	73.235	60.443	73.235
		2.793.057	1.445.862	2.793.057

3. Share capital

Share capital 1 January 2015	125.000	125
	125.000	125



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
4. Reserves for net revaluation as per the equity method		
Reserves for net revaluation 1 January 2015	949.687	135
Share of results	1.434.220	857
Exchange rate adjustments, subsidiaries	42.259	-43
	<u>2.426.166</u>	<u>949</u>
5. Results brought forward		
Results brought forward 1 January 2015	-137.417	-93
Profit or loss for the year brought forward	-3.060	-45
	<u>-140.477</u>	<u>-138</u>

6. Contingencies

Joint taxation

Ole Lynggaard A/S being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 1.256 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.



Accounting policies used

The annual report for Ole Lynggaard Retail ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

The profit and loss account

Gross loss

Other external costs comprise costs for administration, etc.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.



Accounting policies used

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the profit and loss account at a proportional share of the subsidiaries' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation of the parent company and the Danish subsidiaries.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.



Accounting policies used

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Ole Lynggaard Retail ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.