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PERSONLIGT ENGAGEMENT

STATSAUTORISERET  
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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 2019

The annual report has been submitted and approved by the general meeting on the 29 May 2020.

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Søren Lynggaard  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



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## Management's report

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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 2019.

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 at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

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

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

Hellerup, 18 May 2020

### Managing Director

Søren Ole Lynggaard

### Board of directors

Ole Lynggaard

Søren Ole Lynggaard

Charlotte Lynggaard



## **Independent auditor's report**

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**To the shareholder of Ole Lynggaard Retail ApS**

### **Opinion**

We have audited the annual accounts of Ole Lynggaard Retail ApS for the financial year 1 January to 31 December 2019, 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.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### **The management's responsibilities 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. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:



## **Independent auditor's report**

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- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.



## **Independent auditor's report**

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Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 18 May 2020

### **Christensen Kjarulff**

Statsautoriseret Revisionsaktieselskab  
Company reg. no. 15 91 56 41

Torben Laurentz Wiberg

State Authorised Public Accountant  
mne11651



## Company information

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<b>The company</b>	Ole Lynggaard Retail ApS Hellerupvej 15 B 2900 Hellerup  Company reg. no. 28 71 33 55 Financial year: 1 January - 31 December
<b>Board of directors</b>	Ole Lynggaard Søren Ole Lynggaard Charlotte Lynggaard
<b>Managing Director</b>	Søren Ole Lynggaard
<b>Auditors</b>	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K
<b>Parent company</b>	Ole Lynggaard A/S Hellerup
<b>Subsidiaries</b>	Ole Lynggaard Retail Danmark ApS, Hellerup Ole Lynggaard Retail Sverige ApS, Sweden Ole Lynggaard Copenhagen Pty. Ltd., Australia Ole Lynggaard Copenhagen Sarl., France Ole Lynggaard Retail Norge AS, Norway Ole Lynggaard Copenhagen Pte. Ltd., Singapore



## Management commentary

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### **The principal activities of the company**

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

### **Development in activities and financial matters**

The gross loss for the year is DKK -7 thousand against DKK -7 thousand last year. The results from ordinary activities after tax are DKK 4.515 thousand against DKK 2.240 thousand last year. The management consider the results satisfactory.

### **The expected development**

Continued growth was expected in 2020 in the subsidiaries, however the COVID-19 crisis has impacted the subsidiaries, resulting in challenges on both their top and bottom line.

The current political restrictions on both travelling and shopping possibilities for the consumer, challenge the business and the subsidiaries now expect a loss in revenue of more than 30% compared to previous years.

Part of this shortfall in the subsidiaries is mitigated by state aid programmes, however the subsidiaries has also implemented mitigating initiatives to reduce staff and external cost.

Based on the current situation and the information available, Management expect the subsidiaries to continue operations without significant structural changes which therefor also will be expected for this company.

### **Events subsequent to the financial year**

No events - besides the COVID-19 crisis mentioned above - have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.





## Income statement 1 January - 31 December

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DKK in thousands.

<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Gross loss</b>	<b>-7</b>	<b>-7</b>
Income from equity investments in group enterprises	4.510	2.257
Other financial income from group enterprises	26	0
Other financial income	11	8
1 Other financial costs	-24	-23
<b>Pre-tax net profit or loss</b>	<b>4.516</b>	<b>2.235</b>
Tax on ordinary results	-1	5
<b>Net profit or loss for the year</b>	<b>4.515</b>	<b>2.240</b>
<b>Proposed appropriation of net profit:</b>		
Reserves for net revaluation according to the equity method	2.010	2.258
Transferred to retained earnings	2.505	0
Allocated from retained earnings	0	-18
<b>Total allocations and transfers</b>	<b>4.515</b>	<b>2.240</b>



## Statement of financial position 31 December

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DKK in thousands.

<b>Assets</b>			
<u>Note</u>		<u>2019</u>	<u>2018</u>
<b>Non-current assets</b>			
2	Equity investments in group enterprises	14.216	11.658
	Total investments	14.216	11.658
	<b>Total non-current assets</b>	<b>14.216</b>	<b>11.658</b>
<b>Current assets</b>			
	Amounts owed by group enterprises	2.823	286
	Total receivables	2.823	286
	<b>Total current assets</b>	<b>2.823</b>	<b>286</b>
	<b>Total assets</b>	<b>17.039</b>	<b>11.944</b>



## Statement of financial position 31 December

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DKK in thousands.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2019</u>	<u>2018</u>
<b>Equity</b>			
3	Contributed capital	125	125
4	Reserves for net revaluation as per the equity method	13.012	10.454
5	Results brought forward	2.283	-221
	<b>Total equity</b>	<b><u>15.420</u></b>	<b><u>10.358</u></b>
<b>Liabilities other than provisions</b>			
	Trade creditors	8	9
	Debt to group enterprises	1.610	1.577
	Income tax payable	1	0
	Total short term liabilities other than provisions	<u>1.619</u>	<u>1.586</u>
	<b>Total liabilities other than provisions</b>	<b><u>1.619</u></b>	<b><u>1.586</u></b>
	<b>Total equity and liabilities</b>	<b><u>17.039</u></b>	<b><u>11.944</u></b>



## Notes

DKK in thousands.

	2019	2018
<b>1. Other financial costs</b>		
Financial costs, group enterprises	24	23
	<b>24</b>	<b>23</b>
<b>2. Equity investments in group enterprises</b>		
Acquisition sum, opening balance 1 January 2019	1.204	1.204
<b>Cost 31 December 2019</b>	<b>1.204</b>	<b>1.204</b>
Revaluations, opening balance 1 January 2019	10.454	7.909
Translation by use of the exchange rate valid on balance sheet date	548	287
Results for the year before goodwill amortisation	4.510	2.258
Dividend	-2.500	0
<b>Revaluation 31 December 2019</b>	<b>13.012</b>	<b>10.454</b>
<b>Book value 31 December 2019</b>	<b>14.216</b>	<b>11.658</b>

### 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, Hellerup	100 %	11.069	4.908	11.069
Ole Lynggaard Retail Sverige ApS, Sweden	100 %	732	-31	732
Ole Lynggaard Copenhagen Pty. Ltd., Australia	100 %	1.451	-707	1.451
Ole Lynggaard Copenhagen Sarl., France	100 %	153	788	153
Ole Lynggaard Retail Norge AS, Norway	100 %	161	44	161
Ole Lynggaard Copenhagen Pte. Ltd., Singapore	70 %	650	133	650
		<b>14.216</b>	<b>5.135</b>	<b>14.216</b>



## Notes

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DKK in thousands.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>3. Contributed capital</b>		
Contributed capital 1 January 2019	125	125
	<u>125</u>	<u>125</u>
<b>4. Reserves for net revaluation as per the equity method</b>		
Reserves for net revaluation 1 January 2019	10.454	7.909
Share of results	2.010	2.258
Exchange rate adjustments	548	287
	<u>13.012</u>	<u>10.454</u>
<b>5. Results brought forward</b>		
Results brought forward 1 January 2019	-222	-203
Profit or loss for the year brought forward	2.505	-18
	<u>2.283</u>	<u>-221</u>



## Accounting policies

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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. Furthermore, the company has chosen to comply with some of the rules applying for class C 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.

## Income statement

### Gross loss

Gross loss comprises cost for administration, etc.

Other external costs comprise costs for administration.



## Accounting policies

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### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

### 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 with the Danish group enterprises.

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 in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

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



## Accounting policies

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Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

### **Other securities and equity investments**

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### **Equity**

#### **Reserve for net revaluation according to the equity method**

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries and associates proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.





## Accounting policies

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### 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.

### Liabilities

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

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## Søren Ole Lynggaard

Bestyrelsesmedlem

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## Søren Ole Lynggaard

Direktør

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## Ole Lynggaard

Bestyrelsesmedlem

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## Charlotte Lynggaard

Bestyrelsesmedlem

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## Victor Torben Laurentz Wiberg

Statsautoriseret revisor

På vegne af: Statsaut. revisor - CHRISTENSEN KJÆRULFF

STATSAUTORISERET REVISIONSAKTIESELSKAB

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## Søren Ole Lynggaard

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