



Tel.: +45 39 15 52 00  
koebenhavn@bdo.dk  
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 Copenhagen V  
CVR no. 20 22 26 70

**PARTYLITE APS**  
**ESPLANADEN 7, 3.TV., 1263 KØBENHAVN K**  
**ANNUAL REPORT**  
**2015**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 15 March 2016**

---

**Marko Olavi Saarenkanta**

**CONTENTS**

	<b>Page</b>
<b>Company Details</b>	
Company Details.....	2
<b>Statement and Report</b>	
Statement by Board of Directors and Board of Executives.....	3
Independent Auditor's Report.....	4-5
<b>Management's Review</b>	
Management's Review .....	6
<b>Financial Statements 1 January - 31 December</b>	
Accounting Policies.....	7-8
Income Statement.....	9
Balance Sheet.....	10-11
Notes.....	12

**COMPANY DETAILS**

<b>Company</b>	Partylite ApS Esplanaden 7, 3.tv. 1263 København K  CVR no.: 28 72 00 17 Established: 6 June 2005 Registered Office: Copenhagen Financial Year: 1 January - 31 December
<b>Board of Directors</b>	William Charles Looney III Martin Køhler Marko Olavi Saarenkanta
<b>Board of Executives</b>	Marko Olavi Saarenkanta
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Danske Bank Holmens Kanal 2-12 1092 København K  Nordea Meldahlsgade 1 Postboks 850 0900 København C

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Partylite ApS for the year 1 January - 31 December 2015.

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

In our opinion the financial statements give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend that the Annual Report be approved at the Annual General meetings.

Copenhagen, 15 March 2016

Board of Executives

---

Marko Olavi Saarenkanta

Board of Directors

---

William Charles Looney III

---

Martin Køhler

---

Marko Olavi Saarenkanta

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Partylite ApS

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Partylite ApS for the financial year 1 January to 31 December 2015, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's Responsibility 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 free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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.

#### **Opinion**

In our opinion, the financial statements 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 - 31 December 2015 in accordance with the Danish Financial Statements Act.

## INDEPENDENT AUDITOR'S REPORT

### REPORTS ACCORDING TO OTHER LEGISLATION AND REGULATIONS

#### **Other matters paragraph**

Without having an impact on our opinion, the company has not, in contrary to section 12 of the Danish Bookkeeping Act, kept and filed accounting records in Denmark, and the Management may therefore be held liable in this respect.

#### **Statement on 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 financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 15 March 2016

BDO Statsautoriseret revisionsaktieselskab, CVR-nr. 20 22 26 70

Per Frost Jensen  
State Authorised Public Accountant

## MANAGEMENT'S REVIEW

### **Principal activities**

The company's activities are sale and distribution of candles and accessories, decor and personal care products.

### **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.

## ACCOUNTING POLICIES

The annual report of Partylite ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The annual report is prepared consistently with the accounting principles used last year.

### General about recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets is reviewed annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

## INCOME STATEMENT

### Net revenue

The net revenue from 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, duties and less 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 external costs

Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts and similar expenses.

### Other operating income and expenses

Other operating income and expenses include items of a secondary nature in relation to the enterprises' principal activities.

### Staff costs

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



## ACCOUNTING POLICIES

### Financial income and expenses in general

Financial income and expenses include interest income and expenses, 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 in the income statement by the amounts that relate to the financial year.

### Tax on profit for the year

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 portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

### Accruals, assets

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

### Dividend

The expected payment of dividend for the year is recognised as a separate item under equity.

### 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 carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off 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

Liabilities are measured at amortised cost equal to nominal value.

### Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	2015 DKK	2014 DKK
<b>GROSS PROFIT</b> .....		<b>313.177</b>	<b>368.435</b>
Staff costs.....	1	-112.308	0
<b>OPERATING PROFIT</b> .....		<b>200.869</b>	<b>368.435</b>
Other financial income.....		49.156	57.608
Other financial expenses.....		-116.201	-146.487
<b>PROFIT BEFORE TAX</b> .....		<b>133.824</b>	<b>279.556</b>
Tax on profit/loss for the year.....	2	-31.517	-76.917
<b>PROFIT FOR THE YEAR</b> .....		<b>102.307</b>	<b>202.639</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained profit.....		102.307	202.639
<b>TOTAL</b> .....		<b>102.307</b>	<b>202.639</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2015</b> DKK	<b>2014</b> DKK
Trade receivables.....		12.212	34.185
Receivables from group enterprises.....		3.849.156	3.800.000
Deferred tax assets.....		1.042	0
Receivable corporation tax.....		30.015	39.430
Prepayments and accrued income.....		12.623	57.863
<b>Accounts receivable.....</b>		<b>3.905.048</b>	<b>3.931.478</b>
<b>Cash and cash equivalents.....</b>		<b>2.220.976</b>	<b>2.756.212</b>
<b>CURRENT ASSETS.....</b>		<b>6.126.024</b>	<b>6.687.690</b>
<b>ASSETS.....</b>		<b>6.126.024</b>	<b>6.687.690</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2015 DKK	2014 DKK
Share capital.....		125.000	125.000
Retained profit.....		5.153.506	5.051.199
<b>EQUITY.....</b>	<b>3</b>	<b>5.278.506</b>	<b>5.176.199</b>
Deferred tax assets.....		0	8.684
<b>PROVISION FOR LIABILITIES.....</b>		<b>0</b>	<b>8.684</b>
Trade payables.....		30.955	65.489
Payables to group enterprises.....		182.927	633.635
Other liabilities.....		550.522	681.208
Accruals and deferred income.....		83.114	122.475
<b>Current liabilities.....</b>		<b>847.518</b>	<b>1.502.807</b>
<b>LIABILITIES.....</b>		<b>847.518</b>	<b>1.502.807</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>6.126.024</b>	<b>6.687.690</b>
 Related parties	 4		
Ownership	5		

## NOTES

	2015 DKK	2014 DKK	Note
<b>Staff costs</b>			<b>1</b>
Wages and salaries.....	112.308	0	
	<b>112.308</b>	<b>0</b>	
<b>Tax on profit/loss for the year</b>			<b>2</b>
Calculated tax on taxable income of the year.....	41.243	68.517	
Adjustment of deferred tax.....	-9.726	8.400	
	<b>31.517</b>	<b>76.917</b>	

## Equity 3

	Share capital	Retained profit	Total
Equity at 1 January 2015.....	125.000	5.051.199	5.176.199
Proposed distribution of profit.....		102.307	102.307
<b>Equity at 31 December 2015.....</b>	<b>125.000</b>	<b>5.153.506</b>	<b>5.278.506</b>

The share capital has not been changed in the past 5 years.

## Related parties 4

The company's controlling parties consist of:

**Controlling interest**  
Partylite Trading S.A.

### Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

### Transactions with related parties

The company did not carry out any substantial transactions that were not concluded on market conditions.

## Ownership 5

The following shareholder is recorded in the company's register of shareholders as sole proprietor of the share capital:  
PartyLite Trading S.A.  
Rte. D'Englishberg 13  
CH-1763 Granges-Paccot

The company is included in the consolidated financial statements of Blyth Inc, One East Weaver Street, Greenwich, CT 068321-5118, USA.

The consolidated financial statements in question can be obtained on [www.blyth.com](http://www.blyth.com).