BEIERHOLM
VI SKABER BALANCE

Færch A/S

Jens Juuls Vej 22, 8260 Viby J

CVR no. 28 85 11 89

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 11.04.24

Jørgen Flodgaard
Dirigent

Table of contents

Company information etc.

The company

Færch A/S
Jens Juuls Vej 22
8260 Viby J
Danmark
Tel.: 86 72 58 00
Registered office: Viby J
CVR no.: 28 85 11 89
Financial year: 01.01 - 31.12

Executive Board

Tina Rasmussen

Board of Directors

Jørgen Flodgaard
Jørgen Bertelsen
Sabrina Færch

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Færch A/S.

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 assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Viby J, April 11, 2024

Executive Board

Tina Rasmussen

Board of Directors

Jørgen Flodgaard	Jørgen Bertelsen	Sabrina Færch

Independent auditor's report on extended review

To the Shareholders of Færch A/S

Conclusion

We have conducted an extended review of the financial statements of Færch A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial statements are prepared in accordance with the 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 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our basis for conclusion.

Statement regarding the management’s review

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 there on.

In connection with our extended review of the financial statements, it is our responsibility 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.

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 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 inquiries to management and others within the company, as appropriate, analytical procedures, 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.

Aarhus, April 11, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Helle Damsgaard Jensen

State Authorized Public Accountant

MNE-no. mne33690

Primary activities

The company's activities comprise of import of skin care products, education and course business, as well as any activity that, in the opinion of the Board of Directors, is connected with this.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 4,699,750 against DKK 6,498,623 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 19,318,847.

The management considers the net profit for the year to be satisfactory.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2023 DKK	2022 DKK
	Gross profit	**17,402,923**	**21,227,951**
2	Staff costs	-10,523,569	-11,740,964
	Profit before depreciation, amortisation, write-downs and impairment losses	**6,879,354**	**9,486,987**
	Depreciation and impairments losses of property, plant and equipment	-891,991	-877,774
	Operating profit	**5,987,363**	**8,609,213**
3	Financial income	55,525	6,041
4	Financial expenses	-2,054	-269,928
	Profit before tax	**6,040,834**	**8,345,326**
	Tax on profit for the year	-1,341,084	-1,846,703
	Profit for the year	**4,699,750**	**6,498,623**

Proposed appropriation account

	2023	2022
Proposed dividend for the financial year	10,200,000	8,000,000
Retained earnings	-5,500,250	-1,501,377
Total	**4,699,750**	**6,498,623**

Balance sheet

ASSETS

Note		31.12.23 DKK	31.12.22 DKK
	Leasehold improvements	1,238,196	1,826,606
	Other fixtures and fittings, tools and equipment	223,559	471,562
	Total property, plant and equipment	**1,461,755**	**2,298,168**
	Deposits	611,676	563,645
	Total investments	**611,676**	**563,645**
	Total non-current assets	**2,073,431**	**2,861,813**
	Raw materials and consumables	4,647,964	10,442,818
	Total inventories	**4,647,964**	**10,442,818**
	Trade receivables	1,798,783	16,932,258
	Receivables from group enterprises	3,077,228	2,659,819
	Deferred tax asset	108,612	54,280
	Other receivables	50,000	0
	Prepayments	267,575	630,842
	Total receivables	**5,302,198**	**20,277,199**
	Cash	**16,912,931**	**20,823**
	Total current assets	**26,863,093**	**30,740,840**
	Total assets	**28,936,524**	**33,602,653**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.23 DKK	31.12.22 DKK
	Share capital	500,000	500,000
	Retained earnings	8,618,847	14,119,097
	Proposed dividend for the financial year	10,200,000	8,000,000
	Total equity	**19,318,847**	**22,619,097**
	Payables to other credit institutions	0	868,158
	Trade payables	4,175,369	3,994,235
	Payables to group enterprises	3,173,138	4,084,317
	Income taxes	1,395,416	1,398,752
	Other payables	873,754	638,094
	Total short-term payables	**9,617,677**	**10,983,556**
	Total payables	**9,617,677**	**10,983,556**
	Total equity and liabilities	**28,936,524**	**33,602,653**

5 Contingent liabilities

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Proposed dividend for the financial year
Statement of changes in equity for 01.01.23 - 31.12.23			
Balance as at 01.01.23	500,000	14,119,097	8,000,000
Dividend paid	0	0	-8,000,000
Net profit/loss for the year	0	-5,500,250	10,200,000
Balance as at 31.12.23	500,000	8,618,847	10,200,000

1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2023 DKK	2022 DKK
Other operating income	Subsidy from supplier	1,802,500	0

2. Staff costs

Wages and salaries	9,051,279	10,194,484
Pensions	1,067,989	1,107,949
Other staff costs	404,301	438,531
Total	10,523,569	11,740,964
Average number of employees during the year	13	14

3. Financial income

Interest, group enterprises	34,958	0
Other interest income	20,567	6,041
Total	55,525	6,041

	2023 DKK	2022 DKK
4. Financial expenses		
Interest, group enterprises	0	217,090
Other interest expenses	2,054	52,838
Total	2,054	269,928

5. Contingent liabilities

Other contingent liabilities

The company is taxed jointly with the other companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company LF Group A/S.

The company has entered into a lease with a remaining non-termination period of 6 months. In addition, the company has entered into a leasing agreement for a car and a copier. Next year, contractual obligations will amount to k.DKK 586.

6. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

6. Accounting policies - continued -

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

6. Accounting policies - continued -

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Leasehold improvements	5-10	0
Other plant, fixtures and fittings, tools and equipment	5	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

6. Accounting policies - continued -

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

6. Accounting policies - continued -

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

6. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.