



**CHRISTENSEN  
KJÆRULFF**

**PERSONLIGT ENGAGEMENT**

STATSAUTORISERET  
REVISIONSAKTIESELSKAB

CVR: 15 91 56 41

STORE KONGENSGADE 68  
1264 KØBENHAVN K

TLF: 33 30 15 15  
E-MAIL: CK@CK.DK  
WEB: WWW.CK.DK

# Ole Lynggaard Retail Danmark ApS

Hellerupvej 15 B, 2900 Hellerup

Company reg. no. 31 47 57 08

## 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**

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The managing director has today presented the annual report of Ole Lynggaard Retail Danmark 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.

I consider the accounting policies used appropriate, and in my 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.

I am 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



## **Independent auditor's reports**

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

#### **Report on the annual accounts**

We have audited the annual accounts of Ole Lynggaard Retail Danmark 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.



## Independent auditor's reports

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### 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

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**The company**

Ole Lynggaard Retail Danmark ApS  
Hellerupvej 15 B  
2900 Hellerup

Company reg. no.: 31 47 57 08

Financial year: 1 January - 31 December

**Managing Director**

Søren Ole Lynggaard

**Auditors**

Christensen Kjarulff Statsautoriseret Revisionsaktieselskab

**Parent company**

Ole Lynggaard Retail Holding ApS



## **Management's review**

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### **Principal activities**

The principal activities of the company are retail sales of Ole Lynggaard jewellery in Denmark.

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

The gross profit for the year is DKK 5.899.000 against DKK 4.945.000 last year. The results from ordinary activities after tax are DKK 712.000 against DKK 513.000 last year. The management considers the results satisfactory.

The company's cash and cash equivalents have increased by DKK 678.000, i.e. from DKK 2.305.000 to DKK 2.983.000.

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

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Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Gross profit</b>	<b>5.899.218</b>	<b>4.945</b>
1 Staff costs	-4.414.403	-3.778
Depreciation and amortisation of tangible and intangible fixed assets	-541.773	-474
<b>Results before net financials</b>	<b>943.042</b>	<b>693</b>
Other financial income from group enterprises	0	4
Other financial income	1.066	0
2 Other financial costs	-4.451	-27
<b>Results before tax</b>	<b>939.657</b>	<b>670</b>
Tax of the results for the year	-227.585	-157
<b>Results for the year</b>	<b>712.072</b>	<b>513</b>
<b>Proposed distribution of the results:</b>		
Allocated to results brought forward	712.072	513
<b>Distribution in total</b>	<b>712.072</b>	<b>513</b>





## Balance sheet 31 December

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Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
<b>Fixed assets</b>		
4 Acquired concessions, patents, licenses, trademarks and similar rights	178.571	286
Intangible fixed assets in total	<u>178.571</u>	<u>286</u>
5 Production plant and machinery	85.794	229
6 Other plants, operating assets, and fixtures and furniture	570.097	270
7 Leasehold improvement	631.485	775
Tangible fixed assets in total	<u>1.287.376</u>	<u>1.274</u>
<b>Fixed assets in total</b>	<b><u>1.465.947</u></b>	<b><u>1.560</u></b>
<b>Current assets</b>		
Trade debtors	2.037.373	1.847
Amounts owed by group enterprises	0	124
Other debtors	0	323
Accrued income and deferred expenses	233.680	229
Debtors in total	<u>2.271.053</u>	<u>2.523</u>
Cash funds	<u>2.982.734</u>	<u>2.305</u>
<b>Current assets in total</b>	<b><u>5.253.787</u></b>	<b><u>4.828</u></b>
<b>Assets in total</b>	<b><u>6.719.734</u></b>	<b><u>6.388</u></b>



## Balance sheet 31 December

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Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<b>Equity and liabilities</b>		
Note	<u>2015</u>	<u>2014</u>
<b>Equity</b>		
8 Share capital	125.000	125
9 Results brought forward	<u>1.402.610</u>	<u>691</u>
<b>Equity in total</b>	<b><u>1.527.610</u></b>	<b><u>816</u></b>
<b>Provisions</b>		
Provisions for deferred tax	<u>93.894</u>	<u>121</u>
<b>Provisions in total</b>	<b><u>93.894</u></b>	<b><u>121</u></b>
<b>Liabilities</b>		
Prepayments received from customers	436.214	473
Trade creditors	253.537	234
Debt to group enterprises	3.229.377	4.064
Payable corporate tax	255.326	208
Other liabilities	<u>923.776</u>	<u>472</u>
Short-term liabilities in total	<u>5.098.230</u>	<u>5.451</u>
<b>Liabilities in total</b>	<b><u>5.098.230</u></b>	<b><u>5.451</u></b>
<b>Equity and liabilities in total</b>	<b><u>6.719.734</u></b>	<b><u>6.388</u></b>

10 Contingencies

11 Related parties



## Notes

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Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>2015</u>	<u>2014</u>
<b>1. Staff costs</b>		
Salaries and wages	3.892.300	3.456
Pension costs	211.369	199
Other costs for social security	18.120	18
Other staff costs	292.614	105
	<u><b>4.414.403</b></u>	<u><b>3.778</b></u>
Average number of employees	<u>8</u>	<u>8</u>
<b>2. Other financial costs</b>		
Interest, group enterprises	0	17
Other interest costs	4.451	10
	<u><b>4.451</b></u>	<u><b>27</b></u>
	<u>31/12 2015</u>	<u>31/12 2014</u>
<b>3. Software</b>		
Cost 1 January 2015	<u>589.426</u>	<u>589</u>
<b>Cost 31 December 2015</b>	<u><b>589.426</b></u>	<u><b>589</b></u>
Amortisation and writedown 1 January 2015	<u>-589.426</u>	<u>-589</u>
<b>Amortisation and writedown 31 December 2015</b>	<u><b>-589.426</b></u>	<u><b>-589</b></u>
<b>Book value 31 December 2015</b>	<u><b>0</b></u>	<u><b>0</b></u>



## Notes

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Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
<b>4. Acquired concessions, patents, licenses, trademarks and similar rights</b>		
Cost 1 January 2015	750.000	750
<b>Cost 31 December 2015</b>	<b>750.000</b>	<b>750</b>
Amortisation and writedown 1 January 2015	-464.286	-357
Amortisation for the year	-107.143	-107
<b>Amortisation and writedown 31 December 2015</b>	<b>-571.429</b>	<b>-464</b>
<b>Book value 31 December 2015</b>	<b>178.571</b>	<b>286</b>
<b>5. Production plant and machinery</b>		
Cost 1 January 2015	1.366.972	1.254
Additions during the year	0	113
<b>Cost 31 December 2015</b>	<b>1.366.972</b>	<b>1.367</b>
Depreciation and writedown 1 January 2015	-1.137.562	-953
Depreciation for the year	-143.616	-185
<b>Depreciation and writedown 31 December 2015</b>	<b>-1.281.178</b>	<b>-1.138</b>
<b>Book value 31 December 2015</b>	<b>85.794</b>	<b>229</b>



## Notes

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Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
<b>6. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2015	475.000	275
Additions during the year	517.500	200
Disposals during the year	-275.000	0
<b>Cost 31 December 2015</b>	<b><u>717.500</u></b>	<b><u>475</u></b>
Amortisation and writedown 1 January 2015	-205.143	-137
Depreciation for the year	-138.801	-68
Reversal of depreciation, amortisation and writedown, assets disposed of	196.541	0
<b>Amortisation and writedown 31 December 2015</b>	<b><u>-147.403</u></b>	<b><u>-205</u></b>
<b>Book value 31 December 2015</b>	<b><u>570.097</u></b>	<b><u>270</u></b>
<b>7. Leasehold improvement</b>		
Cost 1 January 2015	2.528.716	2.321
Additions during the year	0	208
<b>Cost 31 December 2015</b>	<b><u>2.528.716</u></b>	<b><u>2.529</u></b>
Depreciation and writedown 1 January 2015	-1.753.477	-1.640
Depreciation for the year	-143.754	-114
<b>Depreciation and writedown 31 December 2015</b>	<b><u>-1.897.231</u></b>	<b><u>-1.754</u></b>
<b>Book value 31 December 2015</b>	<b><u>631.485</u></b>	<b><u>775</u></b>



## Notes

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Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
<b>8. Share capital</b>		
Share capital 1 January 2015	<u>125.000</u>	<u>125</u>
	<b><u>125.000</u></b>	<b><u>125</u></b>
<b>9. Results brought forward</b>		
Results brought forward 1 January 2015	690.538	178
Profit or loss for the year brought forward	<u>712.072</u>	<u>513</u>
	<b><u>1.402.610</u></b>	<b><u>691</u></b>

## 10. Contingencies

### Contingent liabilities

The company has entered into two lease agreements for commercial premises. Both can be terminated with six months' notice. Total commitments amount to DKK 1.219 thousand.

### 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 company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

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.



**11. Related parties**

**Ownership**

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Ole Lynggaard Retail Holding ApS,



## **Accounting policies used**

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The annual report for Ole Lynggaard Retail Danmark 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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

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.

## **The profit and loss account**

### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.





## **Accounting policies used**

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Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

### **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.

### **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**

### **Intangible fixed assets**

#### **Development projects, patents, and licences**

External development costs from software are measured at cost with deduction of accrued amortisation. Development costs from software are amortised on a straight-line basis over the estimated financial useful life which is estimated at 8 years from commencement of use of the system in the company.

Acquired concessions, patents, licenses, trademarks and similar rights are measured at cost with deduction of accrued amortisation. Acquired concessions, patents, licenses, trademarks and similar rights are amortised on a straight-line basis over the estimated financial useful life which is estimated at 7 years.



## **Accounting policies used**

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Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Technical plants and machinery	3 - 10 years
Other plants, operating assets, fixtures and furniture	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

### **Leasehold improvement**

Leasehold improvement is measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

### **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.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.



## **Accounting policies used**

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### **Available funds**

Available funds comprise cash at bank and in hand.

### **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 Denmark 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.