

# NORSTAR A/S

Delta Park 37 – DK-2665 Vallensbæk Strand  
Company number 32 25 88 75

## Financial Statements

1 July 2016 – 30 June 2017

8<sup>th</sup> financial year

Approved at the annual general meeting on 28/11 2017

  
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Henning Andersen Bröchner  
Chairman

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## STATEMENT BY MANAGEMENT

Today, the Board of Directors and the Executive Board have presented the annual report for the financial year 1 July 2016 – 30 June 2017 of NORSTAR A/S.

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

In our opinion, appropriate accounting policies have been applied, and the Financial Statements provide a true and fair view of the financial position and of the results of the Company's operations for the financial year 1 July 2016 – 30 June 2017.

In our opinion, the Management's review gives a fair review of the matters described in the review.

The annual report is recommended for approval at the Annual General Meeting.

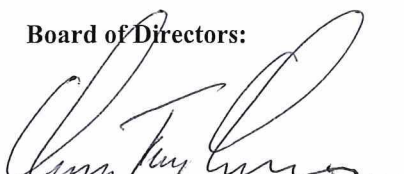
Vallensbæk Strand, 24 November 2017

### Executive Board:



Henning Andersen Bröchner

### Board of Directors:



Søren Torp Laursen



Henning Andersen Bröchner



Frederik Navne Boesgaard

The Annual General Meeting has decided that the annual report for the coming financial years not will be audited.

## INDEPENDENT AUDITOR'S REPORT

To the shareholder of NORSTAR A/S

### Opinion

We have audited the financial statements of NORSTAR A/S for the financial year 1 July 2016 – 30 June 2017, which comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2017 and of the results of the Company's operations for the financial year 1 July 2016 – 30 June 2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities 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 audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of 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.

**INDEPENDENT AUDITOR'S REPORT (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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 financial statements, including the note disclosures, and whether the financial statements represent 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 internal control that we identify during our audit.

**Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is 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 audit, 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 our procedures, 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 of the Management's review.

Copenhagen, 24 November 2017

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR.no. 30 70 02 28



Torben Bender  
State Authorised Public Accountant



Ole Becker  
State Authorised Public Accountant

## COMPANY DETAILS

### Company

NORSTAR A/S  
Delta Park 37  
DK-2665 Vallensbæk Strand

Phone: +45 89 44 22 00  
Fax: +45 89 44 22 44  
E-mail: info.dk@norstar.eu  
Internet: www.norstar.eu

Company number: 32 25 88 75  
Established: 10 June 2009  
Domicile: Vallensbæk Kommune  
Financial year: 1 July – 30 June

### Board of Directors

Søren Torp Laursern  
Henning Andersen Bröchner  
Frederik Navne Boesgaard

### Executive Board

Henning Andersen Bröchner

### Auditor

Ernst & Young P/S  
Godkendt Revisionspartnerselskab  
Osvold Helmuths Vej 4  
Postboks 250  
2000 Frederiksberg

## **MANAGEMENT'S REVIEW**

### **Principal activities**

NORSTAR is part of the TOP-TOY Group. NORSTAR have had its principal activities within wholesale of toys and other products for children to retailers on the Nordic market. TOP-TOY decided to close down all activities in NORSTAR at the end of the calendar year 2015.

### **Development in activities and financial position**

This year's after tax profit was a gain of DKK 0,6 million compared to a loss of DKK 0,9 million in 2015/2016.

Under the given circumstances the result of the year is considered to be satisfactory.

### **Interest rate and exchange rate exposure**

The Company has no interest rate or exchange rate exposure.

### **Subsequent events**

No events have occurred after the balance sheet date which may materially affect the Company's financial position.

## ACCOUNTING POLICIES

The annual report for NORSTAR A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class B entities.

In 2016/17 the Company has changed from reporting under the provisions applying to large reporting class C entities to reporting under the provisions applying to reporting class B entities. This has resulted in less disclosure requirements.

Effective 1 July 2016, the Company has adopted act no. 738 of 1 June 2015. The adoption has not had impact on the figures or changed presentation or disclosure requirements. The accounting policies are consistent with those of last year.

The comparative figure for average number of employees has been changed from 72 to 36 due to an error included in the 2015/16 Financial statements. The change has no impact on the income statement or equity.

### Translation of foreign currency

Transactions in foreign currencies are translated at the rates of exchange on the date of transaction. Differences in the rates of exchange arising between the rate at the date of transaction and the rates at the date of payment are recognised in the Income Statement as financial income or expenses.

Receivables, payables, and other monetary items in foreign currencies, that have not been settled at the date of the Balance Sheet, are translated at the rates of exchange of the balance sheet date. The difference between the rates at the balance sheet date and the rates at the time when the receivable or the payable arises is recognised in the Income Statement under financial income and financial expenses.

### Income Statement

#### Revenue

Income from the sale of goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. Revenue is measured ex VAT and discounts granted in relation to the sale.

#### Other external expenses

Other external expenses include costs and expenses for distribution, sale, advertising, administration, premises etc.

#### Employee expenses

Employee expenses comprises wages and salaries including pensions and other costs for social security etc. for the company's employees. In employee expenses received refunds from public authorities are offset.

#### Financial income and expenses

Financial income and expenses comprise interest income and expenses, capital gains and losses concerning liabilities and transactions in foreign currencies. Includes furthermore surcharges and allowances under the on-account tax-scheme.

#### Income tax on profit for the year

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the Income Statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.



**ACCOUNTING POLICIES (continued)**

The Company is taxed jointly with TOP-TOY Holding II A/S. The current Danish corporation tax is allocated on the jointly taxed Danish companies in proportion to their taxable profits (full allocation with refund regarding any tax losses).

**Balance Sheet****Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Write-down is made for bad debt losses according to an individual assessment.

**Equity – dividend**

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

**Income tax payable and deferred tax**

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as tax computed on the year's taxable income adjusted for tax on the previous year's taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the Balance Sheet as "Joint taxation receivable" or "Joint taxation payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax liabilities as well as deferred tax assets are recognised. Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

**Liabilities**

Liabilities are measured at net realisable value.

## INCOME STATEMENT 1 JULY - 30 JUNE

<u>Note</u>	2016/17 DKK '000	2015/16 DKK '000
Revenue	478	351,593
Cost of goods sold	101	-313,853
Other external expenses	71	-17,760
<b>Gross profit</b>	<b>650</b>	<b>19,980</b>
1 Employee expenses	23	-18,752
2 Depreciation, amortisation and impairment losses	0	152
<b>Operating profit</b>	<b>673</b>	<b>1,381</b>
3 Financial income	35	590
4 Financial expenses	0	-13
<b>Profit/loss before tax</b>	<b>708</b>	<b>1,958</b>
5 Tax on profit/loss for the year	-156	-2,904
<b>PROFIT/LOSS FOR THE YEAR</b>	<b>552</b>	<b>-946</b>
<b>Proposed distribution of profit/loss</b>		
Retained earnings	552	-946
	<b>552</b>	<b>-946</b>

## BALANCE SHEET AT 30 JUNE

		<b>ASSETS</b>	
<u>Note</u>		2016/17 DKK '000	2015/16 DKK '000
		<u>          </u>	<u>          </u>
6	Deferred tax asset	980	1,136
	Receivables from group enterprises	11,547	17,958
	Other receivables	<u>2</u>	<u>126</u>
	<b>Receivables</b>	<b>12,529</b>	<b>19,220</b>
	<b>Cash</b>	<b><u>0</u></b>	<b><u>57</u></b>
	<b>TOTAL CURRENT ASSETS</b>	<b><u>12,529</u></b>	<b><u>19,276</u></b>
	<b>TOTAL ASSETS</b>	<b><u><u>12,529</u></u></b>	<b><u><u>19,276</u></u></b>

## BALANCE SHEET AT 30 JUNE

## EQUITY AND LIABILITIES

<u>Note</u>	2016/17 DKK '000	2015/16 DKK '000
Share capital	10,000	10,000
Retained earnings	2,435	1,883
<b>7 TOTAL EQUITY</b>	<b>12,435</b>	<b>11,883</b>
Warranty and return provision	50	150
<b>Provisions</b>	<b>50</b>	<b>150</b>
Bank loan	1	0
Trade payables	1	3,233
Joint taxation payables	42	1,354
<b>8 Other payables</b>	<b>0</b>	<b>2,657</b>
<b>Short-term debt</b>	<b>44</b>	<b>7,244</b>
<b>Total debt</b>	<b>44</b>	<b>7,244</b>
<b>EQUITY AND LIABILITIES</b>	<b>12,529</b>	<b>19,276</b>
9 Mortgages, collaterals and contingencies etc.		
10 Related parties		
11 Events after the balance sheet date		

## NOTES TO THE FINANCIAL STATEMENTS

	2016/17 DKK '000	2015/16 DKK '000
<b>1. Employee expenses</b>		
Wages and salaries	-33	16,914
Pensions	1	1,636
Other costs for social security	9	202
	<u>-23</u>	<u>18,752</u>
Average number of full-time employees	<u>0</u>	<u>36</u>
The remuneration of the company's Executive Board is managed by the parent company. As last year, The Board of Directors receive no remuneration.		
<b>2. Depreciation, amortisation and impairment losses</b>		
Plant and machinery	0	9
Losses / gains from disposal of non-current assets	0	-161
	<u>0</u>	<u>-152</u>
<b>3. Financial income</b>		
Interest and similar income	3	264
Exchange rate adjustments	32	326
	<u>35</u>	<u>590</u>
<b>4. Financial expenses</b>		
Interest expenses and similar expenses	0	13
	<u>0</u>	<u>13</u>
<b>5. Tax on profit</b>		
Current tax for the year	0	612
Adjustment, deferred tax	156	-179
Taxes previous years	0	2,472
	<u>156</u>	<u>2,904</u>
	2016/17 DKK '000	2015/16 DKK '000
<b>6. Deferred tax asset</b>		
Deferred tax, beginning-of-year	-1,136	-1,039
Adjustment of deferred tax	156	-179
Deferred tax, beginning-of-year	0	82
	<u>-980</u>	<u>-1,136</u>

Deferred tax asset relates to provisions and income tax carryforwards

## NOTES TO THE FINANCIAL STATEMENTS

	2016/17 DKK '000	2015/16 DKK '000
<b>7. Equity</b>		
Share capital at 1 July	10,000	10,000
	<b>10,000</b>	<b>10,000</b>

The share capital consists of 10,000 shares of each nominal DKK 1,000. No shares carry special rights.

**Retained earnings**

Retained earnings at 1 July	1,883	2,829
Retained earnings for the year	552	-946
	<b>2,435</b>	<b>1,883</b>

**Changes in share capital**

The share capital was deducted on 30 September 2013 with k.DKK 40.000, which was the only change during the past 5 years.

**8. Other payables**

VAT	0	2,657
	<b>0</b>	<b>2,657</b>

**9. Mortgages, collaterals and contingencies etc.**

The Company has no existing operational leasing agreements.

The company is jointly taxed with TOP-TOY Holding II A/S as administration company and its Danish subsidiaries in TOP-TOY Holding II Group. The Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit with other Danish companies.

At 30 June 2017, the net taxes payable to SKAT by the companies included in the joint taxation amounted to DKK 0 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase.

**10. Related parties**

NORSTAR A/S' related parties include the following:

**Control:**

TOP-TOY A/S (majority shareholder), Delta Park 37, 2665 Vallensbæk Strand

TOP-TOY Holding II A/S (principal shareholder), Delta Park 37, 2665 Vallensbæk Strand

The Consolidated Financial statements for TOP-TOY Holding II A/S where NORSTAR A/S is included is available on request at the company.

**11. Events after the balance sheet date**

No events have occurred after the balance sheet date which may materially affect the Company's financial position