

# **Ebony & Ivory ApS**

**Nybrogade 10, 1203 København K**

**Company reg. no. 32 29 01 40**

## **Annual report**

**1 January - 31 December 2018**

The annual report was submitted and approved by the general meeting on the 14 June 2019.

---

**Rasmus Shepherd-Lomborg**  
Chairman of the meeting

## Contents

---

	<b><u>Page</u></b>
<b>Reports</b>	
Management's report	1
Independent auditor's report	2
<b>Management's review</b>	
Company data	5
Management's review	6
<b>Annual accounts 1 January - 31 December 2018</b>	
Profit and loss account	7
Balance sheet	8
Notes	10
Accounting policies used	13

Notes to users of the English version of this document:

- 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 %.

## **Management's report**

---

The managing director has today presented the annual report of Ebony & Ivory ApS for the financial year 1 January to 31 December 2018.

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 at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

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.

København K, 14 June 2019

### **Managing Director**

Rasmus Shepherd-Lomborg

## **Independent auditor's report**

---

### **To the shareholders of Ebony & Ivory ApS**

#### **Opinion**

We have audited the annual accounts of Ebony & Ivory ApS for the financial year 1 January to 31 December 2018, 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 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 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**

---

- 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**

---

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, 14 June 2019

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

### **Claus Carlsen**

State Authorised Public Accountant  
mne23451

## **Company data**

---

### **The company**

Ebony & Ivory ApS  
Nybrogade 10  
1203 København K

Company reg. no.    32 29 01 40  
Financial year:      1 January - 31 December

### **Managing Director**

Rasmus Shepherd-Lomborg

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

## **Management's review**

---

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

The company's activities consist of running a coffee business and related activities.

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

The gross profit for the year is DKK 5.302.000 against DKK 6.269.000 last year. The results from ordinary activities after tax are DKK 199.000 against DKK 1.078.000 last year. The management consider the results satisfactory.



**Profit and loss account 1 January - 31 December**

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>Gross profit</b>	<b>5.301.906</b>	<b>6.269.467</b>
1 Staff costs	-4.824.012	-4.661.504
Depreciation and writedown relating to fixed assets	-239.634	-238.791
<b>Operating profit</b>	<b>238.260</b>	<b>1.369.172</b>
Other financial income	22.755	30.691
2 Other financial costs	-3.278	-4.170
<b>Results before tax</b>	<b>257.737</b>	<b>1.395.693</b>
Tax on ordinary results	-59.010	-317.872
<b>Results for the year</b>	<b>198.727</b>	<b>1.077.821</b>
<b>Proposed distribution of the results:</b>		
Allocated to results brought forward	198.727	1.077.821
<b>Distribution in total</b>	<b>198.727</b>	<b>1.077.821</b>

**Balance sheet 31 December**

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2018</u>	<u>2017</u>
<b>Fixed assets</b>			
3	Other plants, operating assets, and fixtures and furniture	226.973	324.132
4	Decoration rented premises	147.252	277.254
	Tangible fixed assets in total	<u>374.225</u>	<u>601.386</u>
	Deposits	334.702	303.229
	Financial fixed assets in total	<u>334.702</u>	<u>303.229</u>
	<b>Fixed assets in total</b>	<b><u>708.927</u></b>	<b><u>904.615</u></b>
<b>Current assets</b>			
	Raw materials and consumables	365.532	375.710
	Inventories in total	<u>365.532</u>	<u>375.710</u>
	Trade debtors	88.405	59.680
	Amounts owed by group enterprises	452.735	886.375
	Deferred tax assets	21.000	13.504
	Accrued income and deferred expenses	0	74.668
	Debtors in total	<u>562.140</u>	<u>1.034.227</u>
	Available funds	<u>305.320</u>	<u>524.475</u>
	<b>Current assets in total</b>	<b><u>1.232.992</u></b>	<b><u>1.934.412</u></b>
	<b>Assets in total</b>	<b><u>1.941.919</u></b>	<b><u>2.839.027</u></b>

**Balance sheet 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2018</u>	<u>2017</u>
<b>Equity</b>			
5	Contributed capital	125.000	125.000
6	Results brought forward	746.067	547.340
7	Proposed dividend for the financial year	0	1.000.000
	<b>Equity in total</b>	<b><u>871.067</u></b>	<b><u>1.672.340</u></b>
<b>Liabilities</b>			
	Trade creditors	266.581	460.649
	Debt to group enterprises	186.242	0
	Corporate tax	66.506	314.299
	Other debts	551.523	391.739
	Short-term liabilities in total	<u>1.070.852</u>	<u>1.166.687</u>
	<b>Liabilities in total</b>	<b><u>1.070.852</u></b>	<b><u>1.166.687</u></b>
	<b>Equity and liabilities in total</b>	<b><u>1.941.919</u></b>	<b><u>2.839.027</u></b>

**8 Mortgage and securities****9 Contingencies**

## Notes

---

All amounts in DKK.

	2018	2017
<b>1. Staff costs</b>		
Salaries and wages	4.428.179	4.198.062
Other costs for social security	28.497	28.907
Other staff costs	367.336	434.535
	<b>4.824.012</b>	<b>4.661.504</b>
 Average number of employees	 13	 13
<b>2. Other financial costs</b>		
Financial costs, group enterprises	492	0
Other financial costs	2.786	4.170
	<b>3.278</b>	<b>4.170</b>
<b>3. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2018	1.665.671	1.592.529
Additions during the year	12.500	73.142
<b>Cost 31 December 2018</b>	<b>1.678.171</b>	<b>1.665.671</b>
 Amortisation and writedown 1 January 2018	 -1.341.539	 -1.234.267
Depreciation for the year	-109.659	-107.272
<b>Amortisation and writedown 31 December 2018</b>	<b>-1.451.198</b>	<b>-1.341.539</b>
 <b>Book value 31 December 2018</b>	 <b>226.973</b>	 <b>324.132</b>

## Notes

---

All amounts in DKK.

	31/12 2018	31/12 2017
<b>4. Decoration rented premises</b>		
Cost 1 January 2018	2.098.382	2.061.380
Additions during the year	0	37.002
<b>Cost 31 December 2018</b>	<b>2.098.382</b>	<b>2.098.382</b>
Depreciation and writedown 1 January 2018	-1.821.128	-1.689.609
Depreciation for the year	-130.002	-131.519
<b>Depreciation and writedown 31 December 2018</b>	<b>-1.951.130</b>	<b>-1.821.128</b>
<b>Book value 31 December 2018</b>	<b>147.252</b>	<b>277.254</b>
<b>5. Contributed capital</b>		
Contributed capital 1 January 2018	125.000	125.000
	<b>125.000</b>	<b>125.000</b>
<b>6. Results brought forward</b>		
Results brought forward 1 January 2018	547.340	469.519
Profit or loss for the year brought forward	198.727	77.821
	<b>746.067</b>	<b>547.340</b>
<b>7. Proposed dividend for the financial year</b>		
Dividend 1 January 2018	-1.000.000	0
Distributed dividend	1.000.000	0
Dividend for the financial year	0	1.000.000
	<b>0</b>	<b>1.000.000</b>
<b>8. Mortgage and securities</b>		
The company has issued mortgages for a of DKK 1,000,000, which pledges collateral on other plant operating equipment and fixtures and goodwill. The movable property mortgage is deposited as collateral for debt to banks. The mortgage deed is also secured for the sister company Bronnum Aps debt to banks.		

## Notes

---

All amounts in DKK.

### 8. Mortgage and securities (continued)

An amount of DKK xx of the company's remaining tangible fixed assets is estimated to be comprised by the security. At 31 December 2018, the book value of these remaining tangible fixed assets is DKK xx.

The company has issued owner's mortgage at a total amount of DKK xx as security for bank debts. The owner's mortgage provides mortgage on the above land and buildings and tangible fixed assets.

### 9. Contingencies

#### Contingent liabilities

Recourse guarantee commitments

The company has provided guarantees for the bank debts of Bronnum ApS.

Rent commitments

The company has entered a rent agreement with a monthly rent of DKK 53, and a notice period of 6 months totaling t.DKK 318.

#### Joint taxation

Nordic Hospitality Partners DENmark A/S, company reg. no 39427958 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 jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

## **Accounting policies used**

---

The annual report for Ebony & Ivory 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.

## **The profit and loss account**

### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress 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.

Costs of sales includes 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 and premises.

## Accounting policies used

---

### 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 on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### Net financials

Net financials comprise interest. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns 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 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

### 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.

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 :

	Useful life
Other plants, operating assets, fixtures and furniture	3-5 years



## Accounting policies used

---

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 losses are recognised in the profit and loss account as other operating income or other operating expenses.

### Decoration of rented premises

Decoration of rented premises are 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 7 years.

### Financial fixed assets

#### Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

#### Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

#### 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.

### 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, Ebony & Ivory 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.

## **Accounting policies used**

---

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

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.