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Cock's & Cows ApS

Gammel Strand 40, 2,, 1202 København K

Company reg. no. 32 43 92 92

Annual report

1 January - 31 December 2018

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

Daniel Vesti Knuttel
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The managing director has today presented the annual report of Cock's & Cows 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

Daniel Vesti Knuttel

Independent auditor's report

To the shareholders of Cock's & Cows ApS

Opinion

We have audited the annual accounts of Cock's & Cows 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	Cock's & Cows ApS Gammel Strand 40, 2, 1202 København K	
	Company reg. no.	32 43 92 92
	Financial year:	1 January - 31 December
Managing Director	Daniel Vesti Knuttel	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Management's review

The principal activities of the company

The purpose of the company is to operate restaurants / discos or similar businesses

Development in activities and financial matters

The gross profit for the year is DKK 31.042.000 against DKK 25.150.000 last year. The results from ordinary activities after tax are DKK 659.000 against DKK -137.000 last year. The management consider the results satisfactory.

The company merged with Cock's & Cows Tivoli ApS as of January 1, 2018 and with Cock's & Cows ApS as the continuing company.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
	Gross profit	**31.041.680**	**25.149.704**
1	Staff costs	-25.016.324	-20.980.070
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-4.102.961	-2.961.775
	Operating profit	**1.922.395**	**1.207.859**
	Other financial income	78.237	0
	Writedown relating to financial assets	-50.000	-733.195
2	Other financial costs	-702.210	-387.867
	Results before tax	**1.248.422**	**86.797**
	Tax on ordinary results	-589.383	-223.645
	Results for the year	**659.039**	**-136.848**
	Proposed distribution of the results:		
	Allocated to results brought forward	659.039	0
	Allocated from results brought forward	0	-136.848
	Distribution in total	**659.039**	**-136.848**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2018	2017
	Fixed assets		
3	Goodwill	665.506	913.648
	Intangible fixed assets in total	665.506	913.648
4	Other plants, operating assets, and fixtures and furniture	7.772.097	8.805.014
5	Decoration rented premises	9.594.508	8.378.885
	Tangible fixed assets in total	17.366.605	17.183.899
6	Equity investments in group enterprises	0	100.000
	Deposits	2.910.632	2.288.301
	Financial fixed assets in total	2.910.632	2.388.301
	Fixed assets in total	**20.942.743**	**20.485.848**
	Current assets		
	Raw materials and consumables	1.041.217	1.061.939
	Inventories in total	1.041.217	1.061.939
	Trade debtors	3.570.983	2.864.820
	Amounts owed by group enterprises	7.452.310	700.000
	Amounts owed by associated enterprises	42.897	1.501.237
	Other debtors	3.020.773	1.765.519
	Accrued income and deferred expenses	479.148	309.034
	Debtors in total	14.566.111	7.140.610
	Available funds	2.664.839	836.132
	Current assets in total	**18.272.167**	**9.038.681**
	Assets in total	**39.214.910**	**29.524.529**

Balance sheet 31 December

All amounts in DKK.

Note	**Equity and liabilities**	2018	2017
	Equity		
7	Contributed capital	2.716.288	2.716.288
8	Results brought forward	6.521.127	5.276.515
	Equity in total	**9.237.415**	**7.992.803**
	Provisions		
	Provisions for deferred tax	741.000	472.016
	Provisions in total	**741.000**	**472.016**
	Liabilities		
	Bank debts	6.228.078	2.127.987
	Leasing liabilities	1.210.108	1.270.592
	Long-term liabilities in total	7.438.186	3.398.579
	Short-term part of long-term liabilities	512.865	1.299.000
	Bank debts	9.261.084	5.628.829
	Trade creditors	7.562.480	6.722.805
	Debt to group enterprises	0	208.603
	Debt to associated enterprises	770.849	845.927
	Corporate tax	224.243	0
	Other debts	3.466.788	2.955.967
	Short-term liabilities in total	21.798.309	17.661.131
	Liabilities in total	**29.236.495**	**21.059.710**
	Equity and liabilities in total	**39.214.910**	**29.524.529**

9 Mortgage and securities

10 Contingencies

Notes

All amounts in DKK.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	24.085.525	20.307.049
	Pension costs	215.724	199.843
	Other costs for social security	715.075	473.178
		25.016.324	**20.980.070**
	Average number of employees	103	94
2.	**Other financial costs**		
	Other financial costs	702.210	387.867
		702.210	**387.867**
3.	**Goodwill**		
	Cost 1 January 2018	1.516.800	700.000
	Additions during the year	120.855	816.800
	Disposals during the year	-129.300	0
	Cost 31 December 2018	**1.508.355**	**1.516.800**
	Amortisation and writedown 1 January 2018	-603.152	-400.000
	Amortisation for the year	-265.557	-203.152
	Reversal of depreciation, amortisation and writedown, assets disposed of	25.860	0
	Amortisation and writedown 31 December 2018	**-842.849**	**-603.152**
	Book value 31 December 2018	**665.506**	**913.648**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
4.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	12.394.928	6.257.255
	Additions concerning company transfer	197.812	0
	Additions during the year	1.045.410	6.606.423
	Disposals during the year	-20.300	-468.750
	Cost 31 December 2018	**13.617.850**	**12.394.928**
	Amortisation and writedown 1 January 2018	-3.589.914	-1.798.116
	Depreciation for the year	-2.258.884	-1.791.798
	Adjustment of writedown, opening balance	3.045	0
	Amortisation and writedown 31 December 2018	**-5.845.753**	**-3.589.914**
	Book value 31 December 2018	**7.772.097**	**8.805.014**
	Leased assets are included with a book value of	1.722.973	1.754.063
5.	**Decoration rented premises**		
	Cost 1 January 2018	10.744.918	4.123.385
	Additions concerning company transfer	1.212.179	0
	Additions during the year	1.633.786	7.090.283
	Disposals during the year	-48.750	-468.750
	Cost 31 December 2018	**13.542.133**	**10.744.918**
	Depreciation and writedown 1 January 2018	-2.366.033	-1.399.208
	Depreciation for the year	-1.581.592	-966.825
	Depreciation and writedown 31 December 2018	**-3.947.625**	**-2.366.033**
	Book value 31 December 2018	**9.594.508**	**8.378.885**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
6.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2018	100.000	100.000
	Disposals during the year	-50.000	0
	Cost 31 December 2018	**50.000**	**100.000**
	Writedown for the year	-50.000	0
	Writedown 31 December 2018	**-50.000**	**0**
	Book value 31 December 2018	**0**	**100.000**

7.	**Contributed capital**		
	Contributed capital 1 January 2018	2.716.288	2.231.611
	Cash capital increase	0	484.677
		2.716.288	**2.716.288**

8.	**Results brought forward**		
	Results brought forward 1 January 2018	5.276.515	1.137.004
	Transferred from share premium	0	2.275.121
	Profit or loss for the year brought forward	659.039	-136.848
	Dispolsals by merger	585.573	-989.086
	Adjustment by merger	0	2.990.324
		6.521.127	**5.276.515**

9. Mortgage and securities

The company has issued owner's mortgage at a total amount of t.DKK 6,000 as security for bank debts. The owner's mortgage provides mortgage on tangible fixed assets and goodwill.

For bank debts, the company has provided security in company assets representing a nominal value of t.DKK 2,000. This security comprises inventories, rights and simple claims.

Notes

All amounts in DKK.

9. Mortgage and securities (continued)

The company has provided a payment guarantee to the City of Copenhagen of t.DKK 1,300.

10. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered leasing contracts with an average annual leasing payment of t.DKK 545. The leasing contracts have the total outstanding leasing payment is t. DKK 1,700.

Rent commitments

The company has entered rent agreement with an yearly payment of t.DKK 11,700.

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 Cock's & Cows 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, 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.

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, premises, loss on debtors, and operational leasing costs.

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.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

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

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

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.

Accounting policies used

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
Buildings	30 years
Technical plants and machinery	5-10 years
Other plants, operating assets, fixtures and furniture	3-5 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 losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

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 5 years.

Accounting policies used

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

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.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Accounting policies used

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

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, Cock's & Cows 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 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.