



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
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Ole Lynggaard Retail Sverige ApS

Hellerupvej 15 B, 2900 Hellerup

Company reg. no. 32 83 58 80

Annual report

1 January - 31 December 2016

The annual report has been submitted and approved by the general meeting on the 29 May 2017.

Søren Lynggaard

Chairman of the meeting

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 %.



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Management's report

The managing director has today presented the annual report of Ole Lynggaard Retail Sverige ApS for the financial year 1 January to 31 December 2016.

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 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

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, 29 May 2017

Managing Director

Søren Ole Lynggaard



Independent auditor's report

To the shareholder of Ole Lynggaard Retail Sverige ApS

Opinion

We have audited the annual accounts of Ole Lynggaard Retail Sverige ApS for the financial year 1 January to 31 December 2016, 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 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 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, 29 May 2017

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Torben Laurentz Wiberg
State Authorised Public Accountant



Company data

The company	Ole Lynggaard Retail Sverige ApS Hellerupvej 15 B 2900 Hellerup
	Company reg. no. 32 83 58 80
	Financial year: 1 January - 31 December 7th financial year
Managing Director	Søren Ole Lynggaard
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab
Parent company	Ole Lynggaard Retail Holding ApS



Management's review

The principal activities of the company

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

Development in activities and financial matters

The gross profit for the year is DKK 4.266.874 against DKK 4.610.000 last year. The results from ordinary activities after tax are DKK 111.054 against DKK 57.000 last year. The management considers the results satisfactory.

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

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Gross profit	4.266.874	4.610
1 Staff costs	-3.603.996	-3.874
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-482.885	-658
Operating profit	179.993	78
Other financial income	0	4
2 Other financial costs	-1.577	-4
Results before tax	178.416	78
Tax on ordinary results	-67.362	-21
Results for the year	111.054	57
Proposed distribution of the results:		
Allocated to results brought forward	111.054	57
Distribution in total	111.054	57



Balance sheet 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

Assets		
<u>Note</u>	<u>2016</u>	<u>2015</u>
Fixed assets		
3 Software	0	19
4 Acquired concessions, patents, licenses, trademarks and similar rights	1.243.427	1.553
Intangible fixed assets in total	<u>1.243.427</u>	<u>1.572</u>
5 Production plant and machinery	150.735	92
6 Other plants, operating assets, and fixtures and furniture	1.545.372	1.808
Tangible fixed assets in total	<u>1.696.107</u>	<u>1.900</u>
Fixed assets in total	<u>2.939.534</u>	<u>3.472</u>
Current assets		
Trade debtors	262.854	125
Accrued income and deferred expenses	131.378	122
Debtors in total	<u>394.232</u>	<u>247</u>
Available funds	<u>3.132.789</u>	<u>1.408</u>
Current assets in total	<u>3.527.021</u>	<u>1.655</u>
Assets in total	<u>6.466.555</u>	<u>5.127</u>



Balance sheet 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

Equity and liabilities

<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity		
Contributed capital	80.000	80
7 Results brought forward	370.671	245
Equity in total	<u>450.671</u>	<u>325</u>
Provisions		
Provisions for deferred tax	108.806	65
Provisions in total	<u>108.806</u>	<u>65</u>
Liabilities		
Prepayments received from customers	68.648	228
Trade creditors	383.728	744
Debt to group enterprises	4.298.445	2.187
Other debts	1.156.257	1.578
Short-term liabilities in total	<u>5.907.078</u>	<u>4.737</u>
Liabilities in total	<u>5.907.078</u>	<u>4.737</u>
Equity and liabilities in total	<u>6.466.555</u>	<u>5.127</u>

8 Contingencies



Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>2016</u>	<u>2015</u>
1. Staff costs		
Salaries and wages	2.431.914	2.698
Pension costs	197.747	275
Other costs for social security	841.218	856
Other staff costs	<u>133.117</u>	<u>45</u>
	<u>3.603.996</u>	<u>3.874</u>
Average number of employees	<u>6</u>	<u>6</u>
2. Other financial costs		
Other financial costs	<u>1.577</u>	<u>4</u>
	<u>1.577</u>	<u>4</u>
3. Software		
Cost 1 January 2016	122.184	118
Translation by use of the exchange rate valid on balance sheet date 31 December 2016	<u>-5.100</u>	<u>4</u>
Cost 31 December 2016	<u>117.084</u>	<u>122</u>
Amortisation and writedown 1 January 2016	-102.435	-80
Translation by use of the exchange rate valid on balance sheet date 31 December 2016	4.612	-3
Amortisation for the year	<u>-19.261</u>	<u>-20</u>
Amortisation and writedown 31 December 2016	<u>-117.084</u>	<u>-103</u>
Book value 31 December 2016	<u>0</u>	<u>19</u>



Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
4. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 January 2016	1.786.840	1.728
Translation by use of the exchange rate valid on balance sheet date 31 December 2016	<u>-74.580</u>	<u>59</u>
Cost 31 December 2016	<u>1.712.260</u>	<u>1.787</u>
Amortisation and writedown 1 January 2016	-233.991	0
Translation by use of the exchange rate valid on balance sheet date 31 December 2016	14.109	0
Amortisation for the year	<u>-248.951</u>	<u>-234</u>
Amortisation and writedown 31 December 2016	<u>-468.833</u>	<u>-234</u>
Book value 31 December 2016	<u>1.243.427</u>	<u>1.553</u>
5. Production plant and machinery		
Cost 1 January 2016	570.095	446
Translation by use of the exchange rate valid on balance sheet date 31 December 2016	<u>-23.795</u>	<u>15</u>
Additions during the year	<u>85.453</u>	<u>109</u>
Cost 31 December 2016	<u>631.753</u>	<u>570</u>
Depreciation and writedown 1 January 2016	-477.272	-399
Translation by use of the exchange rate valid on balance sheet date 31 December 2016	20.284	-14
Depreciation for the year	<u>-24.030</u>	<u>-65</u>
Depreciation and writedown 31 December 2016	<u>-481.018</u>	<u>-478</u>
Book value 31 December 2016	<u>150.735</u>	<u>92</u>



Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
6. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2016	1.952.228	1.952
Translation by use of the exchange rate valid on balance sheet date 31 December 2016	<u>-81.484</u>	<u>0</u>
Cost 31 December 2016	<u>1.870.744</u>	<u>1.952</u>
Amortisation and writedown 1 January 2016	-144.068	-144
Translation by use of the exchange rate valid on balance sheet date 31 December 2016	9.339	0
Depreciation for the year	<u>-190.643</u>	<u>0</u>
Amortisation and writedown 31 December 2016	<u>-325.372</u>	<u>-144</u>
Book value 31 December 2016	<u>1.545.372</u>	<u>1.808</u>
Leasehold improvement assets are included with a book value of	<u>1.545.372</u>	<u>1.808.160</u>
7. Results brought forward		
Results brought forward 1 January 2016	244.939	169
Profit or loss for the year brought forward	111.054	57
Adjustment in Exchange Rate from SEK	<u>14.678</u>	<u>19</u>
	<u>370.671</u>	<u>245</u>



Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

8. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into a lease agreement concerning a store in Stockholm. The lease agreement includes an interminable period corresponding to a commitment of DKK 757 thousand at 31 December 2016.

Operational leasing

The company has entered into an operational leasing contract. The leasing contract has a residual maturity of 15 months and a total outstanding payment of DKK 151 thousand.

Joint taxation

Ole Lynggaard Retail ApS, company reg. no 28713355 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 liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 1.684 thousand.

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 Ole Lynggaard Retail Sverige 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.

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.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

All assets and liabilities are measured at balance sheet date. The difference between the closing rate and the rate at the time of the recognition of the asset/liability is recognised directly in equity

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

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.

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 and interest expenses 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. Income related to the permanent establishment in Sweden is taxable in Sweden and is irrelevant for the Danish income. It has been estimated that the total income of the company is allocated to the permanent establishment in Sweden, as the company has activities in Sweden only.

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 stright-line basis over the estimated financial useful life which is estimated at 7 years.



Accounting policies used

Gain and loss from the sale of software and acquired concessions, 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.

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	3-5 years
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Minor assets with an expected useful life of less than 1 year or a cost of less than DKK 13 thousand 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.

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 10 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.

Available funds

Available funds comprise cash at bank and in hand.



Accounting policies used

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 Sverige 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.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Søren Ole Lynggaard

Direktør

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2017-06-01 09:46:53Z

NEM ID 

Torben Laurentz Wiberg

Statsautoriseret revisor

På vegne af: CHRISTENSEN KJÆRULFF STATS-AUTORISERET
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