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Maanesten A/S

Frederiksborggade 4, 3.

1360 København K

Business Registration No 35635785

Annual report 2020/2021

The annual report was presented and adopted at the company's annual general meeting 15 December 2021

Lotte Venø Callesen
Chairman of the general meeting

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Entity details

Entity
Maanesten A/S
Frederiksborggade 4, 3.
1360 København K

Municipality of domicile:	Copenhagen
Business Registration No.:	35635785
Financial year:	1 July 2020 – 31 June 2021

Board of Directors

Christian Tornvig Jensen

Lotte Venø Callesen

Henrik Venø Callesen

Executive Board

Lotte Venø Callesen

Auditor

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2860 Søborg

Statement by management on the annual report

The Board of Directors and the Executive Board today considered and approved the annual report of Maanesten A/S for the period 1 July 2020 – 30 June 2021.

The annual report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30 June 2021, and of its financial performance for the financial year 1 July 2020 – 30 June 2021.

We believe the management commentary contains a true and fair view of the affairs and conditions referred to therein.

We recommend that the annual report be adopted by the annual general meeting.

Copenhagen, 15 December 2021

Executive Board:

Lotte Venø Callesen

Board of Directors:

Christian Tornvig Jensen Chairman	Lotte Venø Callesen	Henrik Venø Callesen

Independent auditor's report

To the Shareholders of Maanesten A/S

Opinion
We have audited the financial statements of Maanesten A/S for the financial year 1 July 2020 – 30 June 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Entity's financial position at 30 June 2021, and of the results of its operations for the financial year 1 July 2020 – 30 June 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 the 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 these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 Entity’s internal control.

- 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 Entity’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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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.

Independent auditor's report

Statement on Management's commentary
Management is responsible for Management's commentary. Our opinion on the Financial Statements does not cover Management's commentary, 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 Management's commentary and, in doing so, consider whether Management's commentary 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 Management's commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of Management's commentary.

Søborg, 15 December 2021

Dansk Revision Søborg
State-authorised audit limited company, CVR-no. 14649905

Thomas Ennistein
State-authorised public accountant
mne32161

Management commentary

Principal activities

In common with previous years, the Entity's principal activities consists in retail with watches, jewelry, gold and silver products including the production of these goods as well as other activities related to the Executive Board's estimates.

Development in activities and financial affairs

The Entity has continued its normal business activities. No isolated events during the financial year are material enough to require disclosure in the management's commentary.

Developments and results for the year are considered satisfactory.

Events after the end of the financial year

No events have occurred after the end of the financial year which would materially affect the Entity's conditions.

Note	Income statement	2020/21 DKK	2019/20 1.000 DKK
	The period 1 July - 30 June		
	Gross profit	**41.288.659**	**32.608**
1	Staff costs	-20.644.309	-12.388
	Depreciation and amortisation of non-current assets	-2.301.960	-1.247
	Income or loss before net financials	**18.342.390**	**18.972**
	Financial income	6.004	48
	Financial expenses	-1.113.861	-528
	Profit before tax	**17.234.533**	**18.493**
2	Tax on the income or loss for the year	-3.860.654	-4.142
	Net income or loss for the year	**13.373.879**	**14.352**
	Proposal for distribution of net income:		
	Extraordinary dividend	0	2.695
	Retained earnings	13.373.879	11.657
	Total distribution of net income	**13.373.879**	**14.352**

Note	Balance sheet	2020/21 DKK	2019/20 1.000 DKK
	Assets as at 30 June		
	Software	1.661.792	1.258
	Key money regarding leases	2.499.300	1.200
	Intangible assets	**4.161.092**	**2.458**
	Leasehold improvements	60.232	342
	Other plant, fixtures and operating equipment	4.216.150	2.729
	Property, plant and equipment	**4.276.382**	**3.071**
	Deposits	1.070.028	618
	Financial asset investments	**1.070.028**	**618**
	Total non-current assets	**9.507.502**	**6.148**
	Raw materials and consumables used	28.476.845	16.352
	Inventories	**28.476.845**	**16.352**
	Receivables from sales and services	6.428.978	7.627
	Receivables from group enterprises	23.469.552	8.964
	Tax receivable	0	10
	Prepayments	177.785	15
	Receivables	**30.076.315**	**16.616**
	Cash	**13.160.050**	**10.550**
	Total current assets	**71.713.210**	**43.517**
	Total assets	**81.220.713**	**49.665**

Note	Balance sheet	2020/21 DKK	2019/20 1.000 DKK
	Liabilities and equity as at 30 June		
	Contributed capital	500.000	500
	Retained earnings	35.944.958	22.571
	Total equity	**36.444.958**	**23.071**
	Deferred tax	380.847	395
	Provisions	**380.847**	**395**
	Corporate income tax	3.875.102	4.006
	Other payables	607.225	498
	Non-current payables	**4.482.327**	**4.503**
	Credit institutions	245.916	414
	Trade payables	13.317.134	5.945
	Payables to group enterprises	919.163	236
	Corporate income tax	4.005.606	2.375
	Other payables	21.422.077	12.725
	Payables to shareholders and management	2.685	0
	Current payables	**39.912.581**	**21.695**
	Total liabilities	**44.394.908**	**26.198**
	Total liabilities and equity	**81.220.713**	**49.665**
3	Contingents liabilities		
4	Charges and securities		

Statement of changes in equity

Equity	Contri-buted ca-pital	Retained earnings	Total
	1.000 DKK	1.000 DKK	1.000 DKK
Period 1 July - 30 June			
Equity beginning of year	500	22.571	23.071
Profit/loss for the year	0	13.374	13.374
Equity end of year	**500**	**35.945**	**36.445**

Notes

1 Staff costs

Pay and remuneration	19.174.464	11.726
Pensions	332.028	152
Social security contributions and staff costs	553.918	203
Other staff costs.	583.899	308
Total staff costs	**20.644.309**	**12.388**

The average number of employees in the financial year is 63 (last year 38).

2 Tax on the income or loss for the year

Tax on net income or loss for the year	3.875.102	4.006
Adjustment of deferred tax	-14.448	136
Total tax on the income or loss for the year	**3.860.654**	**4.142**

3 Contingents liabilities

The Entity has lease obligations as at 30 June 2021 of TDKK 5.497 corresponding to 117 months rent.

The Entity participates in a Danish joint taxation arrangement in which Venø Callesen Holding ApS serves as the administration entity. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administrations entity's financial statements.

4 Charges and securities

As security for commitment with the Entity's bank is a registered corporate mortgage of TDKK 12,500. The corporate mortgage includes simple trade receivables, inventories, property, plant and equipment and intangible assets etc., which as at 30 June 2021 has a total carrying amount of TDKK 43,325. The Entity has guaranteed for banking arrangements. At 30 June 2021, the total bank arrangement amounted to DKK 3,449 thousand.

Accounting policies

General
The annual report was prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class B. The financial statements were prepared using the same accounting policies as last year.

In addition, the Company has decided to observe certain provisions from higher reporting classes.

The financial statements have been prepared according to the same accounting policies as last year.

General principles for recognition and measurement
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective interest rate to maturity. Amortised cost is determined as original cost less any repayments and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

In recognition and measurement, foreseeable losses and risks are taken into consideration when arising before the annual report is prepared and proving or disproving matters existing on the balance sheet date.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Also recognised are expenses incurred to generate the earnings for the year, including depreciation, amortisation, impairment losses and provisions, as well as reversals resulting from changes in accounting estimates of amounts previously recognised in the income statement.

Foreign currency translation
During the year, foreign currency transactions are translated at the exchange rates prevailing on the transaction date. Foreign currency receivables, payables and other items that have not been settled on the balance sheet date are translated at the exchanges rates prevailing on the balance sheet date.

Realised and unrealised foreign currency translation adjustments are recognised in the income statement under net financials.

Financial instruments are not used to hedge the value expressed in Danish currency of balance sheet items in foreign currencies and future foreign currency transactions.

Accounting policies

Income statement

Revenue
Revenue is recognised in the income statement if the delivery and passing of risk to the buyer have taken place before the end of the financial year. Revenue is recognised exclusive of VAT and less sales discounts.

Gross profit
Revenue less expenses for raw materials and consumables, other external expenses and other operating income are aggregated in the item 'Gross profit'.

Other operating income
Other operating income include items of a secondary nature to the company's principal activity, including COVID-19 compensations recognized when they meet the requirements to obtain compensation.

Other external expenses
Other external expenses include expenses relating to distribution, sale, advertising, administration, premises, bad debts, operating lease expenses etc.

Staff costs
Staff costs include wages and salaries and social security costs, pensions etc. for the company's staff.

Financial income and expenses
Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital gains and losses from foreign currency securities, payables and transactions, amortisation of mortgage loans and surcharges and allowances under the tax prepayment scheme etc.

Tax on net income or loss for the year
Tax for the year, comprising current tax for the year and changes in deferred tax for the year, is recognised in the income statement as the share attributable to net income or loss for the year, and directly in equity as the share attributable to entries directly to equity.

The company is subject to Danish regulations on compulsory joint taxation of the parent company and its Danish subsidiaries. The parent company is the administration company in the joint taxation scheme and thus settles all income tax payments with the tax authorities.

For settlement of the joint tax contribution, the current Danish income tax is distributed between the jointly taxed companies in proportion to their taxable income. Under the joint taxation scheme, companies with tax losses receive joint tax contributions from companies that have been able to use these losses (full allocation).

Accounting policies

The company is subject to Danish regulations on compulsory joint taxation of the parent company and its Danish subsidiaries.

For settlement of the joint tax contribution, the current Danish income tax is distributed between the jointly taxed companies in proportion to their taxable income. Under the joint taxation scheme, companies with tax losses receive joint tax contributions from companies that have been able to use these losses (full allocation).

Accounting policies

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation. Intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets.

Estimated useful lives are included as follows:	
Software	5 years
Key money regarding leases	50 years

Development projects include expenses, including wages and salaries and amortisation directly or indirectly attributable to the company's development activities and meeting the criteria for recognition. Development costs are measured at cost. Capitalised development costs are amortised on a straight-line basis after the completion of the development work over the useful lives of the assets.

Amortisation of development costs is based on the estimated useful lives of the assets and contractual periods of rights. Development costs that do not meet the criteria for recognition in the balance sheet are recognised in the income statement.

Profit or loss on the disposal of intangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under other operating income or other operating expenses.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation. Property, plant and equipment are depreciated on a straight-line basis, based on an estimate of the useful life and residual value of each asset.

The basis of depreciation is cost less estimated residual value at the end of the useful life. Cost includes the cost of acquisition and expenses directly related to the acquisition until the asset is ready for use. Land is not depreciated.

The depreciation period and residual value are determined at the time of acquisition and will be reassessed on an annual basis. If the residual value of the asset exceeds its book value, depreciation will be discontinued. When there is a change in the depreciation period or residual value, the effect on depreciation will be recognised on a forward-looking basis as a change in the accounting estimate.

Estimated useful lives are included as follows:	Depreciation period	Residual value
Leasehold improvements	5 years	0%
Other plant, fixtures and operating equipment	3-5 years	0-20%

Accounting policies

Profit or loss on the disposal of property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under other operating income or other operating expenses.

Property, plant and equipment under leases and meeting the conditions for finance leases are treated under the same guidelines as those applying to owned assets.

Impairment losses on non-current assets
The carrying amount of intangible assets and property, plant and equipment is assessed every year to determine whether there are indications of any impairment of value beyond what is expressed in the amortisation and depreciation charges.
If there are indications of impairment, an impairment test must be carried out for each individual asset or group of assets, respectively. An impairment charge is taken against the recoverable amount of the assets, if that is lower than the carrying amount.
The higher of the net selling price and the value in use is used as the recoverable amount. The value in use is determined as the present value of the estimated net income from the use of the asset or asset group.

Investments
Deposits are measured at cost.

Inventories
Inventories are measured at cost using the FIFO method or net realisable value where this is lower. Any write-downs of inventories to net realisable value are recognised in the income statement.

Receivables
Receivables are measured in the balance sheet at amortised cost, usually equivalent to nominal value. The value is reduced by write-downs for expected losses following an assessment of each receivable.

Prepayments (recognised as assets)
Prepayments recognised as assets include expenses incurred in respect of subsequent financial years.

Cash
Includes cash and easily realisable securities which are subject to insignificant risk of changes in value.

Payables
Payables are measured at cost, equivalent to nominal value.

Accounting policies

Tax payable and deferred tax
Current tax liabilities and tax receivable are measured in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on taxable for previous years and tax prepaid.

Deferred tax on temporary differences between the tax base of assets and liabilities and their carrying amounts is measured under the balance sheet liability method. Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.