

# Hamleys Nordic ApS

c/o Gorrissen Federspiel Silkeborgvej 2  
8000 Århus C  
Denmark

CVR no. 35 82 57 62

**Annual report for the period 1 January – 31 December 2018**

The annual report was presented and approved at  
the Company's annual general meeting on

26 June 2019

Yong Shen  
Yong Shen

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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Hamleys Nordic ApS for the financial year 1 January – 31 December 2018.

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

In our opinion, the financial statements 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 – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 26 June 2019  
Executive Board:

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Yong Shen

Board of Directors:

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Gang (Richard) Wu

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Yong Shen

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Jóhann Halldórsson

## Independent auditor's report

### To the shareholders of Hamleys Nordic ApS

#### Opinion

We have audited the financial statements of Hamleys Nordic ApS for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the 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 – 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 (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 Company 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to note 2, "Disclosure of material uncertainties regarding going concern", where it is described that the Company has realised a loss for 2018 of DKK 6,542 thousand and a negative equity at 31 December 2018 of DKK 17,717 thousand. These matters in addition to the matters also described in the Management's review, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

## Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 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.

### Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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



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## Independent auditor's report

Copenhagen, 26 June 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Joakim Juul Larsen

State Authorised

Public Accountant

mne32803

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## Management's review

### Company details

Hamleys Nordic ApS  
c/o Gorrissen Federspiel Silkeborgvej 2  
8000 Århus C  
Denmark

CVR no.:	35 82 57 62
Established:	8 April 2014
Registered office:	Copenhagen
Financial year:	1 January – 31 December

### Board of Directors

Gang (Richard) Wu  
Yong Shen  
Jóhann Halldórsson

### Executive Board

Yong Shen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen  
Denmark

### Attorneys

Gorrissen Federspiel  
Silkeborgvej 2  
8000 Århus C

### Annual general meeting

The annual general meeting will be held on 26 June 2019 at the Company's address.

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's principal activity as a holding company is owning shares in subsidiaries.

#### **Development in the year**

In 2018, the Company realised a loss of DKK 6,542 thousand (2017: loss of DKK 11,653 thousand). Equity is a negative DKK 17,717 thousand at 31 December 2018 (31 December 2017: negative DKK 11,175 thousand).

The operations of the Company are financed by loans from the owner. The owner is, however, not obligated to continue the financial support of the Company and therefore there is material uncertainty as to the Company's ability to continue as a going concern.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2018	2017
Other external costs		<u>-938</u>	<u>0</u>
<b>Gross loss</b>		-938	0
Income from equity investments in group entities	4	<u>-4,656</u>	<u>-9,357</u>
<b>Operating loss</b>		-5,594	-9,357
Financial expenses	3	<u>-948</u>	<u>-2,296</u>
<b>Loss before tax</b>		-6,542	-11,653
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Loss for the year</b>		<u><u>-6,542</u></u>	<u><u>-11,653</u></u>
<b>Proposed distribution of loss</b>			
Retained earnings		<u>-6,542</u>	<u>-11,653</u>
		<u><u>-6,542</u></u>	<u><u>-11,653</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2018	31/12 2017
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank and in hand		47	0
<b>Total current assets</b>		<u>47</u>	<u>0</u>
<b>TOTAL ASSETS</b>		<u>47</u>	<u>0</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	5	500	500
Retained earnings		<u>-18,217</u>	<u>-11,675</u>
<b>Total equity</b>		<u>-17,717</u>	<u>-11,175</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		0	20
Payables to group entities		17,606	11,131
Other payables		<u>158</u>	<u>24</u>
		<u>17,764</u>	<u>11,175</u>
<b>Total liabilities</b>		<u>17,764</u>	<u>11,175</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>47</u>	<u>0</u>
<b>Disclosure of material uncertainties regarding going concern</b>	2		
<b>Contractual obligations, contingencies, etc.</b>	6		
<b>Related party disclosures</b>	7		

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Hamleys Nordic ApS for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

### Income statement

#### Other external costs

Other external costs comprise office expenses, administration expenses etc.

#### Income from equity investments in group entities

In the income statement, the item Loss from investments in subsidiaries includes adjustments and write-downs on cost prices.

#### Financial income and expenses

Financial income and expenses relates to interest income and expenses and loss from remission of debt to subsidiaries.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

##### Equity investments in group entities

Equity investments in group entities are measured at cost. If cost exceeds the net realisable value, write-down is made to this lower value.

##### Liabilities

Other liabilities are measured at net realisable value.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

#### 2 Disclosure of material uncertainties regarding going concern

In 2018, the Company realised a loss of DKK 6,542 thousand. Equity is a negative DKK 17,717 thousand at 31 December 2018. The operations of the Company are financed by loans from the owner.

The owner is, however, not obligated to continue the financial support of the Company and therefore there is material uncertainty as to the Company's ability to continue as a going concern.

#### 3 Financial expenses

DKK'000	2018	2017
Interest expense to group entities	93	151
Other financial costs	1	0
Exchange adjustments costs	8	2,145
Impairment of intercompany loan	846	0
	<u>948</u>	<u>2,296</u>

## Financial statements 1 January – 31 December

### Notes

#### 4 Equity investments in group entities

DKK'000	2018	2017
Cost at 1 January	39,980	39,980
Additions for the year	4,656	0
Cost at 31 December	44,636	39,980
Revaluations at 1 January	-39,980	-30,604
Revaluations for the year, net	-4,656	-9,376
Revaluations 31 December 2018	-44,636	-39,980
<b>Carrying amount at 31 December 2018</b>	<b>0</b>	<b>0</b>

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			DKK'000	DKK'000
Hamleys Denmark ApS under konkurs		Copenhagen Denmark	-17,807	-17,685
Hamleys Norway AS		Oslo Norway	308	-144
Hamleys Sweden AB		Stockholm Sweden	644	-1,382
Hamleys Finland Oy		Helsinki Finland	-206	607
			-17,061	-18,604

Amounts in the columns 'Equity' and 'Profit/loss for the year' are based on the latest submitted financial statements translated from local currency to DKK with the currency rate as per 31 December 2018.

#### 5 Equity

The share capital consists of 500,000 shares of a nominal value of DKK 1. No shares carry any special rights.

#### 6 Contractual obligations, contingencies, etc.

The Danish group enterprises are jointly and severally liable for tax on the jointly taxed income of the Group and for Danish taxes at source such as dividend tax, tax on royalty payments and withholding tax.

#### 7 Related party disclosures

##### Control

Hamleys Nordic ApS is part of the consolidated financial statements of The Hamleys Group Ltd, 2 Foubert's Place, Regent Street, London, W1F 7PA, United Kingdom.

The consolidated financial statements of The Hamleys Group Ltd can be obtained by contacting the

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## **Financial statements 1 January – 31 December**

### **Notes**

Company.

#### **Consolidated financial statements**

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The consolidated financial statements of The Hamleys Group Ltd can be obtained by contacting the Company.