

Hamleys Nordic ApS

Vesterbrogade 1 H  
1620 Copenhagen V

CVR no. 35 82 57 62

## **Annual report for the period 1 April – 31 December 2016**

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

30 May 2017

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chairman

## **Contents**

|   |    |
|---|----|
| Statement by the Board of Directors and the Executive Board | 2  |
| Independent auditor's report                                | 3  |
| Management's review   | 6  |
| Company details   | 6  |
| Operating review  | 7  |
| Financial statements 1 April – 31 December                  |    |
| Income statement  | 8  |
| Balance sheet   | 9  |
| Notes   | 10 |

## **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 period 1 April – 31 December 2016.

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

It is our opinion that the financial statements 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 period 1 April – 31 December 2016.

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, 30 May 2017  
Executive Board:

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Claus Nielsen

Board of Directors:

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Alasdair Andrew Dunn  
Chairman

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Claus Nielsen

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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 period 1 April – 31 December 2016 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 2016 and of the results of the Company's operations for the financial period 1 April – 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 (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.

#### **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.



## Independent auditor's report

### 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

- 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.



## Independent auditor's report

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Joakim Juul Larsen  
State Authorised  
Public Accountant

**Hamleys Nordic ApS**  
Annual report 2016  
CVR no. 35 82 57 62

## **Management's review**

### **Company details**

Hamleys Nordic ApS  
Vesterbrogade 1 H  
1620 Copenhagen V

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

### **Board of Directors**

Alasdair Andrew Dunn, Chairman  
Claus Nielsen  
Jóhann Halldórsson

### **Executive Board**

Claus Nielsen

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen

## **Management's review**

### **Operating review**

#### **Core activity**

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

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

The income statement of the Company for 31 December 2016 shows a loss of DKK 561 thousand (2015/16: loss of DKK 24.298 thousand) and an equity of DKK 478 thousand at 31 December 2016 (31 March 2016: DKK 1.039 thousand).

#### **Investments**

On 6 June 2016, Hamleys Nordic ApS purchased the entire share capital of Hamleys Finland Oy from The Hamleys Group Limited. Both the Hamleys Group Limited and the Hamleys Nordic ApS are subsidiaries of Hamleys Global Holdings Limited, a company incorporated in England (United Kingdom). The Company has been acquired with funds from Hamleys Group.

#### **Capital resources**

The Company has received a letter of support from The Hamleys Group Limited where it is stated that they will unconditionally support the Company financially until the annual general meeting in 2018 when the annual report for the following financial year is approved. It is therefore concluded that the capital resources is sufficient for the operation in 2018.



## Financial statements 1 April – 31 December

### Income statement

| DKK'000                               | Note | 1 Apr – 31<br>Dec 2016 | 1 Apr 2015 -<br>31 Mar 2016 |
|---------------------------------------|------|------------------------|-----------------------------|
| Other external costs                  |      | <u>-449</u>            | <u>-1,693</u>               |
| <b>Gross loss</b>                     |      | <u>-449</u>            | <u>-1,693</u>               |
| <b>Operating loss</b>                 |      | -449                   | -1,693                      |
| Loss from investments in subsidiaries |      | 0                      | -30,475                     |
| Financial income                      | 3    | 0                      | 8,562                       |
| Financial expenses                    | 4    | <u>-112</u>            | <u>-692</u>                 |
| <b>Loss before tax</b>                |      | -561                   | -24,298                     |
| Tax on profit/loss for the year       |      | <u>0</u>               | <u>0</u>                    |
| <b>Loss for the year</b>              |      | <u>-561</u>            | <u>-24,298</u>              |

### Proposed distribution of result

|                   |  |             |                |
|-------------------|--|-------------|----------------|
| Retained earnings |  | <u>-561</u> | <u>-24,298</u> |
|                   |  | <u>-561</u> | <u>-24,298</u> |

## Financial statements 1 April – 31 December

### Balance sheet

| DKK'000  | Note | 1 Apr - 31<br>Dec 2016 | 1 Apr 2015 -<br>31 Mar 2016 |
|--|------|------------------------|-----------------------------|
| <b>ASSETS</b>                                    |      |                        |                             |
| <b>Fixed assets</b>                              |      |                        |                             |
| <b>Investments</b>                               | 5    |                        |                             |
| Equity investments in group entities             |      | <u>9,376</u>           | <u>8,969</u>                |
|  |      | <u>9,376</u>           | <u>8,969</u>                |
| <b>Total fixed assets</b>                        |      | <u>9,376</u>           | <u>8,969</u>                |
| <b>Current assets</b>                            |      |                        |                             |
| <b>Receivables</b>                               |      |                        |                             |
| Other receivables                                |      | <u>9</u>               | <u>9</u>                    |
|  |      | <u>9</u>               | <u>9</u>                    |
| <b>Total current assets</b>                      |      | <u>9</u>               | <u>9</u>                    |
| <b>TOTAL ASSETS</b>                              |      | <u>9,385</u>           | <u>8,978</u>                |
| <b>EQUITY AND LIABILITIES</b>                    |      |                        |                             |
| <b>Equity</b>                                    | 6    |                        |                             |
| Share capital                                    |      | 500                    | 500                         |
| Retained earnings                                |      | <u>-22</u>             | <u>539</u>                  |
| <b>Total equity</b>                              |      | <u>478</u>             | <u>1,039</u>                |
| <b>Liabilities other than provisions</b>         |      |                        |                             |
| <b>Current liabilities other than provisions</b> |      |                        |                             |
| Trade payables                                   |      | 67                     | 47                          |
| Payables to group entities                       |      | <u>8,840</u>           | <u>7,892</u>                |
|  |      | <u>8,907</u>           | <u>7,939</u>                |
| <b>Total liabilities other than provisions</b>   |      | <u>8,907</u>           | <u>7,939</u>                |
| <b>TOTAL EQUITY AND LIABILITIES</b>              |      | <u>9,385</u>           | <u>8,978</u>                |
| Going concern                                    | 2    |                        |                             |
| Contractual obligations, contingencies, etc.     | 7    |                        |                             |
| Related party disclosures                        | 8    |                        |                             |

## Financial statements 1 April – 31 December

### Notes

#### 1 Accounting policies

The annual report of Hamleys Nordic ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 April 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, dividends from equity investments in subsidiaries recognised at cost are always recognised in the income statement. In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary. Previously, cost was reduced to the extent that distributed dividend exceeded accumulated earnings after the acquisition date.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Change of financial year

The company has changed its financial year from 1 April - 31 March to 1 January - 31 December. The financial year 2016 consists of 9 months from 1 April - 31 December 2016.

#### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are 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,

## Financial statements 1 April – 31 December

### Notes

#### 1 Accounting policies (continued)

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 expenses comprise office expenses, administration expenses etc.

##### Income from equity investments in group entities

"Loss from investments in subsidiaries" in the income statement 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 debt forgiveness to subsidiaries.

#### Balance sheet

##### Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made, based on an individual assessment.

##### 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 than provisions

Other liabilities are measured at net realisable value.

## Financial statements 1 April – 31 December

### Notes

#### 2 Going concern

The Company has received a letter of support from The Hamleys Group Limited where it is stated that they will unconditionally support the Company financially until the annual general meeting in 2018 when the annual report for the following financial year is approved. It is therefore concluded that the capital resources is sufficient for the operation in 2018.

#### 3 Financial income

DKK'000

|                                       | 1 Apr – 31 Dec<br>2016 | 1 Apr 2015 -<br>31 Mar 2016 |
|---------------------------------------|------------------------|-----------------------------|
| Exchange adjustments                  | 0                      | 168                         |
| Other adjustments of financial income | 0                      | 8,394                       |
|                                       | 0                      | 8,562                       |

#### 4 Financial expenses

Interest expenses, related parties

|  |     |     |
|--|-----|-----|
|  | 112 | 692 |
|  | 112 | 692 |

## Financial statements 1 April – 31 December

### Notes

#### 5 Equity investments in group entities

| DKK'000                        | 2016    | 2015/16 |
|--------------------------------|---------|---------|
| Cost at 1 April                | 39,573  | 129     |
| Additions for the year         | 407     | 39,444  |
| Cost at 31 December            | 39,980  | 39,573  |
| Revaluations at 1 April        | -30,604 | -129    |
| Revaluations for the year, net | 0       | -30,475 |
| Revaluations at 31 December    | -30,604 | -30,604 |
| Carrying amount at period end  | 9,376   | 8,969   |

| Name/legal form     | Registered office      | Equity interest | Equity  | Profit/loss for the year |
|---------------------|------------------------|-----------------|---------|--------------------------|
| Subsidiaries:       |                        |                 | DKK'000 | DKK'000                  |
| Hamleys Denmark ApS | Copenhagen,<br>Denmark | 100%            | 432     | -6,919                   |
| Hamleys Norway AS   | Oslo,<br>Norway        | 100%            | 489     | 591                      |
| Hamleys Sweden AB   | Stockholm,<br>Sweden   | 100%            | 1,696   | -2,865                   |
| Hamleys Finland Oy  | Helsinki,<br>Finland   | 100%            | -206    | 607                      |
|                     |                        |                 | 2,411   | -8,586                   |

Amounts in the columns 'Equity' and 'Net 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 2016.

#### 6 Equity

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

#### 7 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.

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

### **Notes**

#### **8 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 Company.