

# Hamleys Nordic ApS

Vesterbrogade 1 H  
1620 Copenhagen V

CVR no. 35 82 57 62

**Annual report for the period 1 January – 31 December 2017**

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

14 May 2018

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Claus Nielsen

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**Hamleys Nordic ApS**  
Annual report 2017  
CVR no. 35 82 57 62

## **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 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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, 14 May 2018  
Executive Board:

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Claus Nielsen

Board of Directors:

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Claus Nielsen  
Chairman

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Ralph Brander Cunningham

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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 2017 comprising income statement, balance sheet, statement of changes in equity 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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, "Material uncertainties related to going concern", where it is described that the Company has realised a loss for 2017 of DKK 11,653 thousand and a negative equity at 31 December 2017 of DKK 11,175 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.



## Independent auditor's report

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.

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.



## Independent auditor's report

Copenhagen, 14 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Joakim Juul Larsen

State Authorised

Public Accountant

MNE no. 32803

**Hamleys Nordic ApS**  
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## **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 year:	1 January – 31 December

### **Board of Directors**

Claus Nielsen, Chairman  
Ralph Brander Cunningham  
Jóhann Halldórsson

### **Executive Board**

Claus Nielsen

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
2100 Copenhagen

### **Annual general meeting**

The annual general meeting will be held on 14 May 2018 at the Company's address

## **Management's review**

### **Operating review**

#### **Principal activities**

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

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

In 2017, the Company has recognised an impairment write-down of investments in subsidiaries of DKK 9,376 thousand, and due to this realised a loss of DKK 11,653 thousand (2016: loss of DKK 561 thousand) and a negative equity at 31 December 2017 of DKK 11,175 thousand (31 December 2016: positive DKK 478 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.

#### **Subsequent events**

On 26 April 2018, one of the Company's subsidiaries, Hamleys Denmark ApS, filed for bankruptcy. This does not impact the financial statements of Hamleys Nordic ApS as the investment in, and receivable from, Hamleys Denmark ApS were already fully written down as per 31 December 2017.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	1 Jan – 31 Dec 2017	1 Apr - 31 Dec 2016
Other external costs		<u>0</u>	<u>-449</u>
<b>Gross profit/loss</b>		0	-449
Income from equity investments in group entities		<u>-9,357</u>	<u>0</u>
<b>Operating loss</b>		-9,357	-449
Financial expenses	3	<u>-2,296</u>	<u>-112</u>
<b>Loss before tax</b>		-11,653	-561
Tax on loss for the year		<u>0</u>	<u>0</u>
<b>Loss for the year</b>		<u><u>-11,653</u></u>	<u><u>-561</u></u>
<b>Proposed distribution of loss</b>			
Retained earnings		<u>-11,653</u>	<u>-561</u>
		<u><u>-11,653</u></u>	<u><u>-561</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Investments</b>	4		
Equity investments in group entities		0	9,376
		0	9,376
<b>Total fixed assets</b>		0	9,376
<b>Current assets</b>			
<b>Receivables</b>			
Other receivables		0	9
		0	9
<b>Total current assets</b>		0	9
<b>TOTAL ASSETS</b>		0	9,385
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	5		
Contributed capital		500	500
Retained earnings		-11,675	-22
<b>Total equity</b>		-11,175	478
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		20	67
Payables to group entities		11,131	8,840
Other payables		24	0
		11,175	8,907
<b>Total liabilities other than provisions</b>		11,175	8,907
<b>TOTAL EQUITY AND LIABILITIES</b>		0	9,385
<b>Material uncertainties related to going concern</b>	2		
<b>Contractual obligations, contingencies, etc.</b>	6		
<b>Related party disclosures</b>	7		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2017	500	-22	478
Transferred over the distribution of loss	0	-11,653	-11,653
<b>Equity at 31 December 2017</b>	<b>500</b>	<b>-11,675</b>	<b>-11,175</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Hamleys Nordic ApS for 2017 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.

#### 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, 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

"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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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 January – 31 December

### Notes

#### 2 Material uncertainties related to going concern

In 2017, the Company has recognised an impairment write-down of investments in subsidiaries of DKK 9,376 thousand, and due to this realised a loss of DKK 11,653 thousand and a negative equity at 31 December 2017 of 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.

#### 3 Financial expenses

DKK'000	1 Jan – 31 Dec 2017	1 Apr - 31 Dec 2016
Interest expenses, related parties	151	112
Foreign exchange rate adjustment	2,145	0
	<u>2,296</u>	<u>112</u>

#### 4 Equity investments in group entities

DKK'000	2017	2016
Cost at 1 January/April	39,980	39,573
Additions for the year	0	407
Cost at 31 December	<u>39,980</u>	<u>39,980</u>
Revaluations at 1 January/April	-30,604	-30,604
Revaluations for the year, net	-9,376	0
Revaluations at 31 December	<u>-39,980</u>	<u>-30,604</u>
<b>Carrying amount at period end</b>	<u>0</u>	<u>9,376</u>

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			DKK'000	DKK'000
Hamleys Denmark ApS	Copenhagen Denmark	100%	-17,807	-17,685
Hamleys Norway AS	Oslo Norway	100%	308	-144
Hamleys Sweden AB	Stockholm Sweden	100%	644	-1,382
Hamleys Finland Oy	Helsinki Finland	100%	-206	607
			<u>-17,061</u>	<u>-18,604</u>

## Financial statements 1 January – 31 December

### Notes

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 2017.

#### **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 Company.

##### **Related party transactions**

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.