

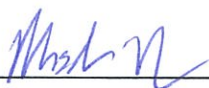
# **Hamleys Nordic ApS**

**Vesterbrogade 1 H  
1620 Copenhagen V**

**CVR no. 35 82 57 62**

**Annual report for the period 1 April 2015 to 31 March 2016**

The annual report was presented and  
adopted at the annual general meeting of  
the Company on 19 August 2016



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Alasdair Andrew Dunn  
Chairman

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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 April 2015 - 31 March 2016.

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

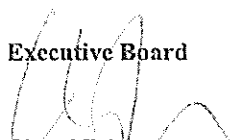
It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2016 and of the result of the Company's operations for the financial year 1 April 2015 - 31 March 2016.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial conditions, the results for the year and the Company's financial position.

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


Copenhagen, 19 August 2016

### Executive Board




Claus Nielsen  
Executive Officer

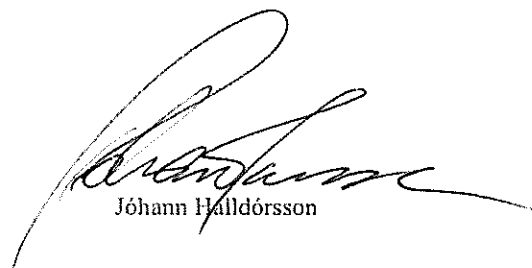
### Board of Directors



Alasdair Andrew Dunn  
Chairman



Claus Nielsen



Jóhann Halldórsson

## **Independent auditor's report**

**To the Shareholder of Hamleys Nordic ApS**

### **Independent auditor's report on the financial statements**

We have audited the financial statements of Hamleys Nordic ApS for the financial year 1 April 2015 - 31 March 2016. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

## Independent auditor's report

### Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2016 and of the results of the Company's operations for the financial year 1 April 2015 - 31 March 2016 in accordance with the Danish Financial Statements Act.

### Statement on the Management's review

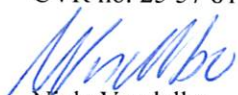
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 19 August 2016

### KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Niels Vendelbo  
State Authorised  
Public Accountant

## Management's review

### Company details

#### Company

Hamleys Nordic ApS  
Vesterbrogade 1 H  
1620 Copenhagen V  
Denmark

CVR no.: 35 82 57 62  
Financial year: 1 April - 31 March  
Registered office: Copenhagen

#### Board of Directors

Alasdair Andrew Dunn, Chairman  
Claus Nielsen  
Jóhann Halldórsson

#### Executive Board

Claus Nielsen, executive officer

#### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen  
Denmark

#### General meeting

The annual general meeting is held on 19 August 2016 at the Company's address.

## **Management's 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 2015/16 shows a loss of DKK 24,298 thousand (2014/15: loss of DKK 12,100 thousand) and an equity of DKK 1,039 thousand at 31 March 2016 (2015: negative DKK 12,050 thousand).

In January 2016 a nominal capital increase of DKK 450 thousand was made through debt conversion, a capital contribution and a capital reorganisation. This was made with the purpose of covering losses in subsidiaries and as a result, retained earnings increased by a total of DKK 36,937 thousand.

### **Capital resources**

To strengthen the capital resources the Company has during the year received a capital injection from its shareholders of DKK 37,387 thousand. Furthermore, a letter of support has been received from The Hamleys Group Limited where it is stated that they will unconditionally support the Company financially until the annual general meeting in 2017 when the annual report for the following financial year is approved. The guarantee will however as a minimum be in force for 12 months for 31 March 2016, should any changes be made to the financial year at the annual general meeting in 2016. It is therefore concluded that the capital resources is sufficient for the operation in 2016/17.

### **Subsequent events**

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.

## **Financial statements 1 April 2015 - 31 March 2016**

### **Accounting policies**

The Annual Report of Hamleys Nordic ApS for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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

Financial Statements for 2015/16 are presented in DKK thousand.

### **Consolidated financial statements**

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

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## **Income Statement**

### **Other external expenses**

Other external expenses comprise office expenses, administration expenses etc.

### **Income/loss from investments in subsidiaries**

“Income/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 April 2015 - 31 March 2016**

### **Accounting policies**

#### **Balance Sheet**

##### **Investments in subsidiaries and associates**

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

##### **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.

##### **Liabilities other than provisions**

Other liabilities are measured at net realisable value.

## Financial statements 1 April 2015 - 31 March 2016

### Income statement

	Note	2015/2016 DKK'000	2014/2015 DKK'000
Other external expenses		-1,693	-2,637
<b>Gross profit</b>		<b>-1,693</b>	<b>-2,637</b>
Loss from investments in subsidiaries		-30,475	-129
Financial income	2	8,562	0
Financial costs	3	-692	-9,334
<b>Loss before tax</b>		<b>-24,298</b>	<b>-12,100</b>
Tax on profit/loss for the year		0	0
<b>Loss for the year</b>		<b>-24,298</b>	<b>-12,100</b>
 <b>Proposed distribution of result</b>			
Retained earnings		-24,298	-12,100
		<b>-24,298</b>	<b>-12,100</b>

## Financial statements 1 April 2015 - 31 March 2016

### Balance sheet

	<u>Note</u>	<u>2015/16</u> DKK'000	<u>2014/15</u> DKK'000
<b>Assets</b>			
Investments in subsidiaries	4	<u>8,969</u>	<u>0</u>
<b>Investments</b>		<u><b>8,969</b></u>	<u><b>0</b></u>
<b>Non-current assets</b>			
Other receivables		<u>9</u>	<u>0</u>
<b>Receivables</b>		<u><b>9</b></u>	<u><b>0</b></u>
<b>Total current assets</b>		<u><b>9</b></u>	<u><b>0</b></u>
<b>Total assets</b>		<u><u><b>8,978</b></u></u>	<u><u><b>0</b></u></u>

## Financial statements 1 April 2015 - 31 March 2016

### Balance sheet

	<u>Note</u>	<u>2015/16</u> DKK'000	<u>2014/15</u> DKK'000
<b>Equity and liabilities</b>			
Share capital		500	50
Retained earnings		<u>539</u>	<u>-12,100</u>
<b>Total equity</b>	5	<u><b>1,039</b></u>	<u><b>-12,050</b></u>
Trade payables		47	2,403
Payables to related parties		7,892	8,242
Other payables		<u>0</u>	<u>1,405</u>
<b>Current liabilities</b>		<u><b>7,939</b></u>	<u><b>12,050</b></u>
<b>Total liabilities</b>		<u><b>7,939</b></u>	<u><b>12,050</b></u>
<b>Total equity and liabilities</b>		<u><u><b>8,978</b></u></u>	<u><u><b>0</b></u></u>
Going concern	1		
Contingent liabilities	6		

## Financial statements 1 April 2015 - 31 March 2016

### Notes

#### 1 Going concern

To strengthen the capital resources the Company has during the year received a capital injection from its shareholders of DKK 37,387 thousand. Furthermore, a letter of support has been received from The Hamleys Group Limited where it is stated that they will unconditionally support the Company financially until the annual general meeting in 2017 when the annual report for the following financial year is approved. The guarantee will however as a minimum be in force for 12 months for 31 March 2016, should any changes be made to the financial year at the annual general meeting in 2016. It is therefore concluded that the capital resources is sufficient for the operation in 2016/17.

	2015/2016 DKK'000	2014/2015 DKK'000
<b>2 Financial income</b>		
Exchange adjustments	168	0
Other adjustments of financial income	8,394	0
	<u>8,562</u>	<u>0</u>
<b>3 Financial costs</b>		
Interest expenses, related parties	692	749
Other financial expenses	0	8,585
	<u>692</u>	<u>9,334</u>
<b>4 Investments in subsidiaries</b>		
Cost at 1 April	129	0
Additions for the year	39,444	129
Cost at 31 March	39,573	129
Revaluations at 1 April	-129	0
Revaluations for the year, net	-30,475	-129
Revaluations at 31 March	-30,604	-129
<b>Carrying amount at 31 March</b>	<u>8,969</u>	<u>0</u>

## Financial statements 1 April 2015 - 31 March 2016

### Notes

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Hamleys Denmark ApS	Copenhagen, Denmark	DKK 50	100%	7,350	-10,186
Hamleys of Norway AS	Olso, Norway	NOK 30	100%	-125	-167
Hamleys of Sweden AB	Stockholm, Sweden	SEK 50	100%	-357	-307

Amounts in the columns 'Share capital', 'Equity' and 'Net profit/loss for the year' are disclosed in local currency thousands.

### 5 Equity

	Share capital	Retained earnings	Total
	DKK'000	DKK'000	DKK'000
Equity at 1 April 2015	50	-12,100	-12,050
Capital increase	450	36,937	37,387
Net profit/loss for the year	0	-24,298	-24,298
<b>Equity at 31 March 2016</b>	<b>500</b>	<b>539</b>	<b>1,039</b>

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

In 2015/16 a capital increase was made, with an increase of nominal DKK 450 thousand on share capital. The capital increase was made with a split on debt conversion and cash capital increase, with a net effect on retained earnings of DKK 36,937 thousand.

Expenses relating to capital increase comprise DKK 75 thousand.

## Financial statements 1 April 2015 - 31 March 2016

### Notes

#### **6 Contingent liabilities**

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.