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# **AM Retail Danemark ApS**


**C/O Grant Thornton, Stockholmsgade, 2100 København Ø**

**Company reg. no. 36 05 61 42**

## **Annual report**

**1 January - 31 December 2017**

The annual report have been submitted and approved by the general meeting on the 07/05/18.

  
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**Michael Azoulay**  
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

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## **Management's report**

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The managing director has today presented the annual report of AM Retail Danmark ApS for the financial year 1 January to 31 December 2017.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

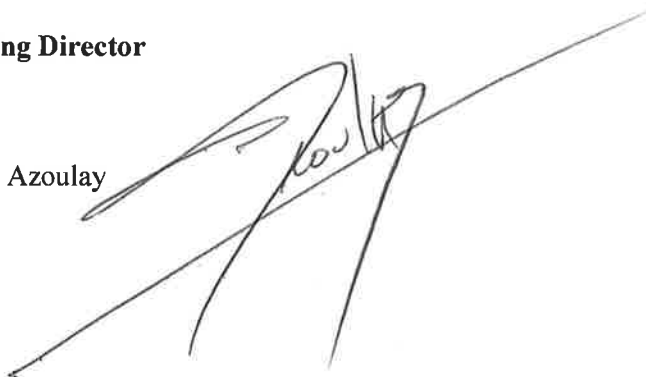
I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 13 February 2018

**Managing Director**

Michael Azoulay

A handwritten signature in black ink, appearing to read 'Michael Azoulay', is written over a diagonal line that extends from the bottom left towards the top right of the page.

## **Independent auditor's report**

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### **To the shareholders of AM Retail Danmark ApS**

#### **Opinion**

We have audited the annual accounts of AM Retail Danmark ApS for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts 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 to 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainties concerning the enterprise's ability to continue as a going concern**

Without affecting our conclusion, as mentioned in note 1 and in the management's review, we note that the company have suffered a significant loss of capital. On behalf of the received letter of comfort from the parent company, the annual report is presented on a going concern basis.

#### **The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

## Independent auditor's report

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### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

## **Independent auditor's report**

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### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 13 February 2018

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36



**Michael Beuchert**  
State Authorised Public Accountant  
MNE-nr. 32794

## **Company data**

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### **The company**

AM Retail Danmark ApS  
C/O Grant Thornton  
Stockholmsgade  
2100 København Ø

Company reg. no. 36 05 61 42  
Established: 1 August 2014  
Financial year: 1 January - 31 December

### **Managing Director**

Michael Azoulay

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### **Bankers**

Nykredit Bank A/S

## **Management's review**

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### **The principal activities of the company**

The Company's purpose is all activities relating to buying and selling textile products.

### **Unusual matters**

There have been no unusual matters in the fiscal year.

### **Uncertainties as to recognition or measurement**

There have been no uncertainties as to recognition or measurement in the fiscal year.

### **Development in activities and financial matters**

The gross profit for the year is TDKK 1.064 against TDKK 800 last year. The results from ordinary activities after tax are TDKK -150 against TDKK -154 last year. The management consider the results acceptable.

We note that the company have suffered a significant loss of capital. Management expects to restore the capital through future positive cash flows.

On behalf of the received letter of comfort from the parent company which is valid until 31st December 2018, the annual report is presented on going concern basis.

### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have a material impact on the financial position of the company.



## **Accounting policies used**

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The annual report for AM Retail Danmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **The profit and loss account**

#### **Gross profit**

The gross profit comprises the net turnover, cost of sales and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

## Accounting policies used

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### Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## The balance sheet

### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	<i>Useful life</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>5 years</i>

Minor assets with the costs of under DKK 13.200 are recognised as costs in the profit and loss account in the year of acquisition.

## **Accounting policies used**

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### **Decoration of rented premises**

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Liabilities**

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

**Profit and loss account 1 January - 31 December**

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Gross profit</b>	<b>1.063.670</b>	<b>800</b>
2 Staff costs	-971.914	-704
Depreciation and writedown relating to tangible fixed assets	-227.237	-228
<b>Operating profit</b>	<b>-135.481</b>	<b>-132</b>
Other financial costs	-14.920	-22
<b>Results before tax</b>	<b>-150.401</b>	<b>-154</b>
3 Tax on ordinary results	0	0
<b>Results for the year</b>	<b>-150.401</b>	<b>-154</b>
<b>Proposed distribution of the results:</b>		
Allocated from results brought forward	-150.401	-154
<b>Distribution in total</b>	<b>-150.401</b>	<b>-154</b>

**Balance sheet 31 December**

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Fixed assets</b>		
4 Other plants, operating assets, and fixtures and furniture	117.898	181
5 Decoration rented premises	300.933	464
Tangible fixed assets in total	<u>418.831</u>	<u>645</u>
Deposits	141.681	115
Financial fixed assets in total	<u>141.681</u>	<u>115</u>
<b>Fixed assets in total</b>	<b><u>560.512</u></b>	<b><u>760</u></b>
<b>Current assets</b>		
Trade debtors	52.490	38
Other debtors	213	1
Accrued income and deferred expenses	35.440	9
Debtors in total	<u>88.143</u>	<u>48</u>
Available funds	473.693	380
<b>Current assets in total</b>	<b><u>561.836</u></b>	<b><u>428</u></b>
<b>Assets in total</b>	<b><u>1.122.348</u></b>	<b><u>1.188</u></b>

**Balance sheet 31 December**

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2017</u>	<u>2016</u>
<b>Equity</b>			
6	Contributed capital	50.000	50
7	Results brought forward	-532.561	-382
	<b>Equity in total</b>	<b>-482.561</b>	<b>-332</b>
<b>Liabilities</b>			
	Trade creditors	73.704	72
	Debt to group enterprises	1.026.886	1.103
	Other debts	504.319	345
	Short-term liabilities in total	1.604.909	1.520
	<b>Liabilities in total</b>	<b>1.604.909</b>	<b>1.520</b>
	<b>Equity and liabilities in total</b>	<b>1.122.348</b>	<b>1.188</b>

**1 Uncertainties concerning the enterprise's ability to continue as a going concern****8 Contingencies**

## Notes

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Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

### 1. Uncertainties concerning the enterprise's ability to continue as a going concern

We note that the company have suffered a significant loss of capital. On behalf of the received letter of comfort from the mother company, the annual report is presented on a going concern basis.

	<u>2017</u>	<u>2016</u>
<b>2. Staff costs</b>		
Salaries and wages	954.370	690
Other costs for social security	11.679	12
Other staff costs	5.865	2
	<u><b>971.914</b></u>	<u><b>704</b></u>
 Average number of employees	 <u>2</u>	 <u>2</u>
 <b>3. Tax on ordinary results</b>		
Tax on the result of the year	<u>0</u>	<u>0</u>
	<u><b>0</b></u>	<u><b>0</b></u>
 <b>4. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2017	318.688	294
Additions during the year	<u>0</u>	<u>24</u>
<b>Cost 31 December 2017</b>	<u><b>318.688</b></u>	<u><b>318</b></u>
 Amortisation and writedown 1 January 2017	 -137.053	 -73
Depreciation for the year	<u>-63.737</u>	<u>-64</u>
<b>Amortisation and writedown 31 December 2017</b>	<u><b>-200.790</b></u>	<u><b>-137</b></u>
 <b>Book value 31 December 2017</b>	 <u><b>117.898</b></u>	 <u><b>181</b></u>

**Notes**

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

	<u>31/12 2017</u>	<u>31/12 2016</u>
<b>5. Decoration rented premises</b>		
Cost 1 January 2017	817.523	818
<b>Cost 31 December 2017</b>	<b>817.523</b>	<b>818</b>
Depreciation and writedown 1 January 2017	-353.090	-190
Depreciation for the year	-163.500	-164
<b>Depreciation and writedown 31 December 2017</b>	<b>-516.590</b>	<b>-354</b>
<b>Book value 31 December 2017</b>	<b>300.933</b>	<b>464</b>
<b>6. Contributed capital</b>		
Contributed capital 1 January 2017	50.000	50
	<b>50.000</b>	<b>50</b>
<b>7. Results brought forward</b>		
Results brought forward 1 January 2017	-382.160	-228
Profit or loss for the year brought forward	-150.401	-154
	<b>-532.561</b>	<b>382</b>

**8. Contingencies****Contingent liabilities**

The company has entered a rent agreement with a termination notice of 6 months. Rent liabilities are equivalent of TDKK 258.