

# Chanel Denmark ApS

Kristen Bernikows Gade 6, 3 sal  
1105 København K

Årsrapport  
1. juli 2015 - 31. december 2016

Årsrapporten er fremlagt og godkendt på  
selskabets ordinære generalforsamling den

**09/05/2017**

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**Julien Béard**  
**Dirigent**

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# Virksomhedsoplysninger

**Virksomheden**

Chanel Denmark ApS  
Kristen Bernikows Gade 6, 3 sal  
1105 København K

CVR-nr: 36948086  
Regnskabsår: 01/07/2015 - 31/12/2016

**Revisor**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 København S  
DK Danmark  
CVR-nr: 33963556  
P-enhed: 1017192430

# Ledelsespåtegning

## *Management's Statement*

The Board of Directors and the Executive Board have today considered and approved the Annual Report of C for the financial year 1 July 2015 – 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 and the results of the Company operations for 1 July 2015 – 31 December 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review. We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, den 09/05/2017

## **Direktion**

Julien Béard  
Managing Director

## **Bestyrelse**

Michael Allan George Rena  
Board member

Luc Léon Emile Dony  
Board member

Steven Antony Wright  
Board member

Berndt-Dieter Hauptkorn  
Chairman of the board

# Den uafhængige revisors revisionspåtegning

To the shareholders of Chanel Denmark ApS

## Konklusion

We have audited the financial statements of Chanel Denmark ApS for the financial year 1 July 2015 – 31 December 2016, which comprise the income statement, balance sheet and notes, including a summary of significant 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 Entity's financial position at 31 December 2016 and of the results of its operations for the financial year 1 July 2015 – 31 December 2016 in accordance with the Danish Financial Statements Act.

## Grundlag for konklusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Ledelsens ansvar for regnskabet

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

## Revisors ansvar for revisionen af regnskabet

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

## **Udtalelse om ledelsesberetningen**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 09/05/2017

Kåre Valtersdorf  
State-Authorised Public Accountant  
Deloitte Statsautoriseret  
Revisionspartnerselskab  
CVR: 33963556

Casper Hjerresen Christensen  
State-Authorised Public Accountant  
Deloitte Statsautoriseret  
Revisionspartnerselskab  
CVR: 33963556

# Ledelsesberetning

## **Main activity**

Chanel Denmark ApS is part of Chanel Group, one of the world's leading luxury Houses. Chanel Denmark ApS sells & distributes fragrance and beauty products in the BtoB and BtoC segments in the Danish market.

## **Development in the year**

The income statement of the Company for for 1 July 2015 - 31 December 2016 shows a profit of TDKK 193 and at 31 December 2016 the balance sheet of the Company shows equity of TDKK 243.

Chanel Denmark ApS was established in 2015 to take over the fragrance & beauty distribution business of the "Chanel" brand from its former agent E. Sæther AS in Denmark. Therefore, 2015 was dedicated to setting up the affiliate and its back office functions. Operations started in February 2016.

## **Targets and expectations for the year ahead**

After 2016 as a transition year, the momentum is under way and Chanel Denmark ApS aims at developing further its fragrance and beauty business through its selective network of authorized retailers in Denmark. The ambition is to outperform the market and achieve a good year of sales and profit.

# Anvendt regnskabspraksis

Årsrapporten er aflagt i overensstemmelse med årsregnskabslovens bestemmelser for Regnskabsklasse B.

## **Basis of Preparation**

The Annual Report of Chanel Denmark ApS for 2015-2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B. The financial year for the period 1 July 2015 - 31 December 2016 is the first financial year of the Company and is prepared with notes and no comparison period.

The Annual Report for 2015-2016 is presented in DKK.

## **Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## **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.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date was recalculated to the exchange rate on balance date, but the amount was minor, and we keep the exchange rate that we already had in our books.

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

## **Income Statement**

### **Revenue**

Revenue from the sale of fragrance & beauty goods is recognised in the income statement when the goods are sent from inventory and transfer of risk has been made before year end. Revenue is recognised exclusive of VAT and net of returns and discounts relating to sales.

### **Cost of Goods Sold**

The cost of goods sold comprises costs for fragrance & beauty items, bought and resold to customers to achieve revenue for the year.

### **Employee expenses**

Employee expenses comprise cost in the form of salaries, pension, bonus, allowances, social charges, and cost of our counter staff in department stores.



**Depreciation**

Depreciation comprise all depreciations made in the current period, for all assets.

**Other operating expenses**

Other operating expenses comprise items of marketing, administrative costs etc.

**Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

**Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and change in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

**Balance Sheet****Intangible assets**

Intangible assets are measured at cost less accumulated amortization and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Amortization based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Amortization period: Software 5 years

**Tangible assets**

Tangible assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Depreciation period: Equipment 3 - 10 years

The carrying amounts of intangible and tangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

**Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables.

**Prepayments**

Prepayments consist primarily of prepaid expenses concerning airfare passes, salary and IT agreement.

**Deferred tax assets and liabilities**

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

**Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# Resultatopgørelse 1. jul 2015 - 31. dec 2016

	Note	2015/16 kr.
<b>Bruttoresultat</b> .....		<b>19.739</b>
Personaleomkostninger .....	1	-12.421
Af- og nedskrivninger af materielle og immaterielle anlægsaktiver .....	2	-1.855
Andre driftsomkostninger .....		-12.538
<b>Resultat af ordinær primær drift</b> .....		<b>-7.075</b>
Andre finansielle indtægter fra tilknyttede virksomheder .....		7.355
Øvrige finansielle omkostninger .....	3	-32
<b>Ordinært resultat før skat</b> .....		<b>248</b>
Skat af årets resultat .....	4	-55
<b>Årets resultat</b> .....		<b>193</b>

# Balance 31. december 2016

## Aktiver

	Note	2015/16 kr.
Færdiggjorte udviklingsprojekter .....		2.975
<b>Immaterielle aktiver i alt .....</b>		<b>2.975</b>
Andre anlæg, driftsmateriel og inventar .....		6.268
<b>Materielle aktiver i alt .....</b>		<b>6.268</b>
Deposita .....		978
<b>Finansielle aktiver i alt .....</b>		<b>978</b>
<b>Langfristede aktiver i alt .....</b>		<b>10.221</b>
Tilgodehavender fra salg og tjenesteydelser .....		22.032
Tilgodehavender hos tilknyttede virksomheder .....		7.470
Andre tilgodehavender .....		67
<b>Tilgodehavender i alt .....</b>		<b>29.569</b>
Likvide beholdninger .....		7.284
<b>Kortfristede aktiver i alt .....</b>		<b>36.853</b>
<b>Aktiver i alt .....</b>		<b>47.074</b>

# Balance 31. december 2016

## Passiver

	Note	2015/16 kr.
Registreret kapital mv. ....	5	50
Overført resultat .....		193
<b>Egenkapital i alt .....</b>		<b>243</b>
Udskudt skat .....		55
<b>Langfristede forpligtelser i alt .....</b>		<b>55</b>
Leverandører af varer og tjenesteydelser .....		1.513
Gældsforpligtelser til tilknyttede virksomheder .....		35.213
Anden gæld, herunder skyldige skatter og skyldige bidrag til social sikring ..		10.050
<b>Kortfristede forpligtelser i alt .....</b>		<b>46.776</b>
<b>Forpligtelser i alt .....</b>		<b>46.831</b>
<b>Passiver i alt .....</b>		<b>47.074</b>

# Noter

## 1. Personaleomkostninger

	<b>2015/16</b>
	<b>TDKK</b>
Wages and salaries	9,685
Post employment benefit expense	576
Social security contributions	80
Other employee expense	1,900
	<u>12,421</u>

## 2. Af- og nedskrivninger af materielle og immaterielle anlægsaktiver

	<b>2015/16</b>
	<b>TDKK</b>
Software	675
Fixtures, fittings, tools and equipment	1,180
	<u>1,855</u>

## 3. Øvrige finansielle omkostninger

### Financial expenses

Of financial expenses DKK 8K are paid to related parties

## 4. Skat af årets resultat

	<b>2015/16</b>
	<b>TDKK</b>
Current tax	0
Changes in deferred tax	55
	<u>55</u>

## 5. Registreret kapital mv.

	Equity	Retained earnings	TOTAL
Equity 1 July 2015	50	0	50
Net profit for the year	0	193	193
<b>Equity 31 December 2016</b>	<b>50</b>	<b>193</b>	<b>243</b>

## 6. Oplysning om eventualforpligtelser

Lease obligations under operating leases. Total future lease payments:	2015/16
	TDKK
Within 1 year	1,154
Between 1 and 5 years	5,090
	<b>6,244</b>

## 7. Oplysning om ejerskab

### Related parties and ownership

#### Ownership

Chanel Denmark ApS is a wholly owned subsidiary of Chanel Ltd, Org. no 217866541, 5 Queensway, Croydon, Surrey CR9 4DL, United Kingdom – and are included in the Group Annual Report.