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# Bucherer Denmark ApS

c/o Aagaard & Partnere Advokatanpartsselskab, 2600 Glostrup

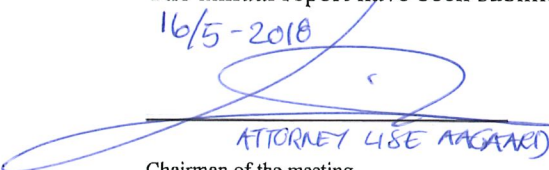
Company reg. no. 37 86 03 01

## Annual report

1 July 2016 - 31 December 2017

The annual report have been submitted and approved by the general meeting on the

16/5-2018



ATTORNEY LISE AAGAARD

Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's report

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The board of directors and the managing director have today presented the annual report of Bucherer Denmark ApS for the financial year 1 July 2016 to 31 December 2017.

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

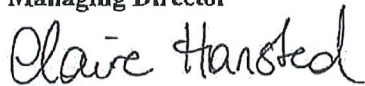
We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 July 2016 to 31 December 2017.

We are 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.

Glostrup, 23 March 2018

### Managing Director



Claire Hansted

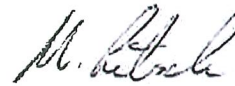
### Board of directors



Guido Michael Zumbühl  
Chairman



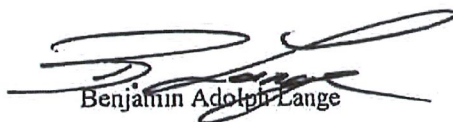
Hans Peter Schraner



Maik Oliver Letsch



Urs Kissling



Benjamin Adolph Lange

## **Independent auditor's report**

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### **To the shareholders of Bucherer Denmark ApS**

#### **Opinion**

We have audited the annual accounts of Bucherer Denmark ApS for the financial year 1 July 2016 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 July 2016 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.

#### **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.

#### **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:

## **Independent auditor's report**

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- 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.

### **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.

## **Independent auditor's report**

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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, 23 March 2018

### **Grant Thornton**

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



Ulrik Bloch-Sørensen  
State Authorised Public Accountant  
MNE-nr. 2913



Martin Bomholtz  
State Authorised Public Accountant  
MNE-nr. 34117

## **Company data**

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### **The company**

Bucherer Denmark ApS  
c/o Aagaard & Partnere Advokatanpartsselskab  
2600 Glostrup

Company reg. no. 37 86 03 01  
Established: 1 July 2016  
Financial year: 1 July 2016 - 31 December 2017

### **Board of directors**

Guido Michael Zumbühl, Chairman  
Hans Peter Schraner  
Maik Oliver Letsch  
Urs Kissling  
Benjamin Adolph Lange

### **Managing Director**

Claire Hansted

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

## **Management's review**

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

Bucherer Denmark is a subsidiary of Bucherer AG, a Swiss-based company that designs, manufactures, and retails watches, jewellery, pearls, and diamonds in Europe. The danish subsidiary retails watches and jewellery in the Illum store in Copenhagen

### **Unusual matters**

No unusual circumstances were observed during the financial year.

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

There were no uncertainties in relation to recognition and measurement.

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

Bucherer Denmark ApS reached a net loss of DKK 2.517.732. The Executive Management is aware that as of 31 December 2017 the equity of the company is negative with DKK -2.467.732. The Executive Management expects to have reestablished the equity within a short timespan.

### **Going concern**

The company management is aware that the company share capital is lost, but considers it likely that the share capital will be re-established within the next financial years through the company's own profit performance and a possible capital increase. The management considers it reasonable to present the annual report on a going concern basis, as the direct and indirect share owners have accepted to maintain their balance and to support that repayment of the company's debts shall not be required until the company's financial situation allows for it.



**Profit and loss account**

<u>Note</u>	1/7 2016 - 31/12 2017
<b>Gross profit</b>	<b>4.754.217</b>
2 Staff costs	-10.887.375
Depreciation and writedown relating to fixed assets	-1.561.800
<b>Operating profit</b>	<b>-7.694.958</b>
Other financial income	5.710.377
3 Other financial costs	-1.006.963
<b>Results before tax</b>	<b>-2.991.544</b>
Tax on ordinary results	473.812
<b>Results for the year</b>	<b>-2.517.732</b>
 <b>Proposed distribution of the results:</b>	
Allocated from results brought forward	-2.517.732
<b>Distribution in total</b>	<b>-2.517.732</b>

**Balance sheet**

<u>Note</u>	<u>31/12 2017</u>
<b>Assets</b>	
<b>Fixed assets</b>	
4 Other plants, operating assets, and fixtures and furniture	12.527.941
Tangible fixed assets in total	<u>12.527.941</u>
<b>Fixed assets in total</b>	<b><u>12.527.941</u></b>
<b>Current assets</b>	
Raw materials and consumables	44.136.965
Inventories in total	<u>44.136.965</u>
Trade debtors	13.380.809
Amounts owed by group enterprises	1.883.046
Deferred tax assets	473.812
Other debtors	<u>3.077.402</u>
Debtors in total	<u>18.815.069</u>
Available funds	<u>8.986.559</u>
<b>Current assets in total</b>	<b><u>71.938.593</u></b>
<b>Assets in total</b>	<b><u>84.466.534</u></b>

**Balance sheet**

<u>Note</u>	<u>31/12 2017</u>
<b>Equity and liabilities</b>	
<b>Equity</b>	
5 Contributed capital	50.000
Results brought forward	<u>-2.517.732</u>
<b>Equity in total</b>	<b><u>-2.467.732</u></b>
<b>Liabilities</b>	
Accrued expenses and deferred income	<u>831.882</u>
Long-term liabilities in total	<u>831.882</u>
Trade creditors	4.471.443
Debt to group enterprises	77.176.241
Other debts	4.350.715
Accrued expenses and deferred income	<u>103.985</u>
Short-term liabilities in total	<u>86.102.384</u>
<b>Liabilities in total</b>	<b><u>86.934.266</u></b>
<b>Equity and liabilities in total</b>	<b><u>84.466.534</u></b>

**1 Going concern**

## Notes

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### 1. Going concern

The company management is aware that the company share capital is lost, but considers it realistic that the share capital will be re-established within the next financial years through the company's own profit performance and a possible capital increase. The management considers it reasonable to present the annual report on a going concern basis, as the direct and indirect share owners have accepted to maintain their balance and to support that repayment of the company's debts shall not be required until the company's financial situation allows for it.

	1/7 2016 - 31/12 2017
	<hr/>
<b>2. Staff costs</b>	
Salaries and wages	9.398.433
Pension costs	500.552
Other costs for social security	50.586
Other staff costs	937.804
	<hr/> <b>10.887.375</b> <hr/>
Average number of employees	<hr/> 18 <hr/>
<b>3. Other financial costs</b>	
Financial costs, group enterprises	930.947
Other financial costs	76.016
	<hr/> <b>1.006.963</b> <hr/>
<b>4. Other plants, operating assets, and fixtures and furniture</b>	
Additions during the year	14.089.741
<b>Cost 31 December 2017</b>	<hr/> <b>14.089.741</b> <hr/>
Depreciation for the year	-1.561.800
<b>Depreciation and writedown 31 December 2017</b>	<hr/> <b>-1.561.800</b> <hr/>
<b>Book value 31 December 2017</b>	<hr/> <b>12.527.941</b> <hr/>
<b>5. Contributed capital</b>	
Contributed capital 1 July 2016	50.000
	<hr/> <b>50.000</b> <hr/>

## **Accounting policies used**

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The annual report for Bucherer Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

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

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## **The profit and loss account**

### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, 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 and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

### **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.

## **Accounting policies used**

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### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### **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.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

### **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**

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

Other 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.

## Accounting policies used

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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>5-10 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

### **Inventories**

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

### **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.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

## **Accounting policies used**

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Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

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

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

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.