
Watch Group Denmark ApS

c/o Kristian Bernt Knudsen, Martensens Alle 4A, 1. th, DK-1828 Frederiksberg C

Annual Report for 2020

CVR No. 40 01 58 68

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 23/6 2021

Kristian Bernt Knudsen
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Practitioner's Statement on Compilation of Financial Statements	1
Company information	
Company information	2
Financial Statements	
Income statement 1 January 2020 - 31 December 2020	3
Balance sheet 31 December 2020	4
Statement of changes in equity	6
Notes to the Financial Statements	7

Practitioner's Statement on Compilation of Financial Statements

To the Management of Watch Group Denmark ApS

We have compiled the Financial Statements of Watch Group Denmark ApS for the financial year 1 January - 31 December 2020 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and IESBA's Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Ringsted, 23 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Petersen

State Authorised Public Accountant

mne28701

Company information

The Company

Watch Group Denmark ApS
c/o Kristian Bernt Knudsen
Martensens Alle 4A, 1. th
DK-1828 Frederiksberg C

CVR No: 40 01 58 68

Financial period: 1 January - 31 December

Incorporated: 12 November 2018

Financial year: 2nd financial year

Municipality of reg. office: Frederiksberg C

Executive board

Kristian Bernt Knudsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Eventyrvej 16
4100 Ringsted

Income statement 1 January - 31 December

	Note	2020	2018/19
		DKK 12 months	DKK 14 months
Gross loss		-207,350	-548,783
Staff expenses	2	-31,774	-164,582
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-202,500	-263,333
Profit/loss before financial income and expenses		-441,624	-976,698
Financial expenses		-1,136	-628
Profit/loss before tax		-442,760	-977,326
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-442,760	-977,326

Distribution of profit

	2020	2018/19
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-442,760	-977,326
	-442,760	-977,326

Balance sheet 31 December

Assets

	Note	2020 DKK	2018/19 DKK
Goodwill		329,167	526,667
Intangible assets	4	329,167	526,667
Other fixtures and fittings, tools and equipment		0	5,000
Property, plant and equipment	5	0	5,000
Fixed assets		329,167	531,667
Finished goods and goods for resale		401,940	450,780
Inventories	6	401,940	450,780
Other receivables		18,691	39,123
Receivables		18,691	39,123
Cash at bank and in hand		91,820	303,526
Current assets		512,451	793,429
Assets		841,618	1,325,096

Balance sheet 31 December

Liabilities and equity

	Note	2020	2018/19
		DKK	DKK
Share capital		50,000	50,000
Share premium account		2,200,000	2,200,000
Retained earnings		-1,420,086	-977,326
Equity		829,914	1,272,674
Trade payables		10,000	17,700
Payables to owners and Management		1,704	0
Other payables		0	34,722
Short-term debt		11,704	52,422
Debt		11,704	52,422
Liabilities and equity		841,618	1,325,096

Key activities	1
Contingent assets, liabilities and other financial obligations	7
Accounting Policies	8

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	2,200,000	-977,326	1,272,674
Net profit/loss for the year	0	0	-442,760	-442,760
Equity at 31 December	50,000	2,200,000	-1,420,086	829,914

Notes to the Financial Statements

1. Key activities

The company's main activities consist of wholesale trade of watches, jewelry, gold and silver products and operating business with watch development

2. Staff Expenses

	<u>2020</u> DKK	<u>2018/19</u> DKK
Wages and salaries	30,412	245,499
Other social security expenses	1,362	-81,083
Other staff expenses	0	166
	<u>31,774</u>	<u>164,582</u>
Average number of employees	<u>1</u>	<u>1</u>

3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

	<u>2020</u> DKK	<u>2018/19</u> DKK
Amortisation of intangible assets	197,500	263,333
Depreciation of property, plant and equipment	5,000	0
	<u>202,500</u>	<u>263,333</u>

Notes to the Financial Statements

4. Intangible fixed assets

	Goodwill
	DKK
Cost at 1 January	790,000
Cost at 31 December	790,000
Impairment losses and amortisation at 1 January	263,333
Amortisation for the year	197,500
Impairment losses and amortisation at 31 December	460,833
Carrying amount at 31 December	329,167
Amortised over	3 years

5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	5,000
Cost at 31 December	5,000
Impairment losses and depreciation at 1 January	0
Depreciation for the year	5,000
Impairment losses and depreciation at 31 December	5,000
Carrying amount at 31 December	0
Amortised over	5 years

6. Inventories

	2020	2018/19
	DKK	DKK
Finished goods and goods for resale	401,940	450,780
	401,940	450,780

Notes to the Financial Statements

7. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2020.

Notes to the Financial Statements

8. Accounting policies

The Annual Report of Watch Group Denmark ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2020 are 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 cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

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 changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 3 year.

Property, plant and equipment

Property, plant and equipment 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:

Assets costing less than DKK 30,000 are expensed in the year of acquisition.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

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.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income 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 or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.