



LDK19 ApS

Hammerensgade 1, 2.
1267 København K
CVR No. 40292152

Annual report 2023

The Annual General Meeting adopted the annual report on 02.07.2024

Albert Þór Magnússon

Chairman of the General Meeting

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Entity details

Entity

LDK19 ApS

Hammerensgade 1, 2.

1267 København K

Business Registration No.: 40292152

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Albert Þór Magnússon

Executive Board

Lóa Dagbjört Kristjánsdóttir

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of LDK19 ApS for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 02.07.2024

Executive Board

Lóa Dagbjört Kristjánsdóttir

Board of Directors

Albert Þór Magnússon

Independent auditor's extended review report

To the shareholders of LDK19 ApS

Adverse conclusion

We have performed an extended review of the financial statements of LDK19 ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, due to the significance of the matter described in the "Basis for adverse conclusion" section of this extended review report, the financial statements do not give a true and fair view of the Entity's financial positions at 31.12.2023 or of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for adverse conclusion

The financial statements have been presented applying the principle of going concern. As stated in note 1 to the financial statements, it is a condition for the Entity's ability to continue as a going concern that the company gets a contribution off capital and liquidate assets and liabilities without significant losses. In our opinion, the company cannot liquidate the assets and liabilities without significant losses and the company has not taken a decision on how the company will be supplied with capital and to what extent. We therefore qualify our opinion in respect of the financial statements having been presented on a going concern basis.

Note 3 to the financial statements refers to the uncertainty connected with valuation of the company's leasehold improvements, recognized at DKK 4.709 thousand. The value depends on the ongoing negotiations with suppliers regarding outstanding matters specified in Note 1. Otherwise, the recoverable amount will be significantly lower than the carrying amount.

Note 3 to the financial statements refers to the uncertainty connected with valuation of the company's deposit, recognized at DKK 1.059 thousand. The value depends on the ongoing negotiations with suppliers regarding outstanding matters specified in Note 1. Otherwise, the recoverable amount will be significantly lower than the carrying amount.

As mentioned above, we consider it unlikely that the company will liquidate the assets and liabilities without significant losses specified in Note 1, which will significantly affect the value of the individual types of assets as specified above

We believe that, in the financial statements, the property, plant and equipment will be negatively affected by an amount between DKK 0-5 million, that other receivables will be negatively affected by an amount between DKK 0-1 million. The total impact on the company's assets is then DKK 0-6 million, which, equivalently, will negatively affect the results for the year before tax and equity.

Consequently, we give a qualified opinion as to the measurement of the assets mentioned above.

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of this extended review report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our adverse conclusion.

Management's responsibilities 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 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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

As is evident from the "Basis for adverse conclusion" section, we have modified our opinion on the financial statements as we do not agree with Management that the financial statements can be presented applying the principle of going concern. We have concluded that, for this reason, the management commentary is materially misstated as, in our opinion, the management commentary should have reflected this circumstance.

Copenhagen, 02.07.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mogens Michael Henriksen

State Authorised Public Accountant
Identification No (MNE) mne23309

Management commentary

Primary activities

LDK19 ApS is located in Copenhagen, Denmark and is part of the Clothing Stores Industry.

Development in activities and finances

The result for the accounting year shows a deficit of DKK 1.015 thousand. Equity amounts to DKK (2,214) thousand per 31.12.2023. Management considers the result to be partially satisfactory.

In 2024 the company has received a termination of the franchise agreement which ends with effect on August 2024, where the company's physical activities also ceases, and the company has chosen not to start new activities. The company therefore expects to liquidate assets and liabilities in 2024 and enter into negotiations with suppliers etc. In order to settle any outstanding matters. In respect to this there will be negotiations regarding contribution of capital. The outcome of this cannot at present be settled, but the company hopes to be able to wind down the activities.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		1,607,168	2,849,519
Staff costs	4	(1,823,714)	(1,860,714)
Depreciation, amortisation and impairment losses		(855,900)	(858,649)
Operating profit/loss		(1,072,446)	130,156
Other financial income	5	174,316	103,517
Other financial expenses	6	(116,480)	(60,747)
Profit/loss for the year		(1,014,610)	172,926
Proposed distribution of profit and loss			
Retained earnings		(1,014,610)	172,926
Proposed distribution of profit and loss		(1,014,610)	172,926

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Acquired intangible assets		0	39,314
Intangible assets	7	0	39,314
Leasehold improvements		4,708,989	5,525,576
Property, plant and equipment	8	4,708,989	5,525,576
Deposits		0	986,308
Deferred tax		0	0
Financial assets	9	0	986,308
Fixed assets		4,708,989	6,551,198
Manufactured goods and goods for resale		1,162,704	1,320,561
Inventories		1,162,704	1,320,561
Trade receivables		90,564	80,273
Other receivables		1,059,099	0
Receivables		1,149,663	80,273
Cash		544,959	592,750
Current assets		2,857,326	1,993,584
Assets		7,566,315	8,544,782

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		50,000	50,000
Retained earnings		(2,264,379)	(3,249,767)
Equity		(2,214,379)	(3,199,767)
Trade payables		504,694	1,139,954
Other payables		303,571	688,312
Deferred income		571,667	360,000
Non-current liabilities other than provisions	10	1,379,932	2,188,266
Current portion of non-current liabilities other than provisions	10	1,903,160	1,969,669
Trade payables		513,799	554,428
Payables to group enterprises		5,188,824	5,331,283
Other payables	11	734,784	1,655,007
Deferred income		60,195	45,896
Current liabilities other than provisions		8,400,762	9,556,283
Liabilities other than provisions		9,780,694	11,744,549
Equity and liabilities		7,566,315	8,544,782
Going concern	1		
Events after the balance sheet date	2		
Uncertainty relating to recognition and measurement	3		
Unrecognised rental and lease commitments	12		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	(3,249,769)	(3,199,769)
Other entries on equity	0	2,000,000	2,000,000
Profit/loss for the year	0	(1,014,610)	(1,014,610)
Equity end of year	50,000	(2,264,379)	(2,214,379)

The sister company LDX19 ehf. has forgiven debts for DKK 2,000,000

Notes

1 Going concern

In 2024 the company has received a termination of the franchise agreement which ends with effect on August 2024, where the company's physical activities also ceases, and the company has chosen not to start new activities. The company therefore expects to liquidate assets and liabilities in 2024 and enter into negotiations with suppliers etc. In order to settle any outstanding matters. In respect to this there will be negotiations regarding contribution of capital. The outcome of this cannot at present be settled, but the company hopes to be able to wind down the activities..

2 Events after the balance sheet date

As mentioned above the company has in February 2024 received a termination of the franchise agreement which ends with effect on on August 2024.

3 Uncertainty relating to recognition and measurement

The preparation of LDK19 ApS financial statements requires Management to make judgements, estimates and assumptions that effected the reported amounts of expenses, assets and liabilities, and the accompanying disclosures. Significant uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities effected in future periods. Management continuously reassesses these estimates and judgements based on several factors in the given circumstances.

Valuation of property, plant and equipment

As stated in note 1, the company has received a termination of the franchise agreement which ends with effect on August 2024, where the company's physical activities also ceases. Should management not be able to liquidate assets with suppliers will the value of the company's leasehold improvements be very limited. Booked value of property, plant and equipment amount to t.DKK 4.709 as of 31 December 2023.

Valuation of other receivables

The company will vacate the lease by August 2024 and Management expect deposit to be part of the negotiations in settling outstanding matters. Should management not be able to liquidate assets with suppliers will the value of the deposit be very limited. Booked value of other receivables amount to t.DKK 1.059 as of 31 December 2023.

4 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	1,723,925	1,770,920
Pension costs	63,031	62,085
Other social security costs	36,758	27,709
	1,823,714	1,860,714
Average number of full-time employees	4	5

5 Other financial income

	2023 DKK	2022 DKK
Exchange rate adjustments	174,316	103,517
	174,316	103,517

6 Other financial expenses

	2023 DKK	2022 DKK
Other interest expenses	75,748	4,414
Other financial expenses	40,732	56,333
	116,480	60,747

7 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	126,188
Cost end of year	126,188
Amortisation and impairment losses beginning of year	(86,874)
Amortisation for the year	(39,314)
Amortisation and impairment losses end of year	(126,188)
Carrying amount end of year	0

8 Property, plant and equipment

	Leasehold improvements DKK
Cost beginning of year	8,176,986
Cost end of year	8,176,986
Depreciation and impairment losses beginning of year	(2,651,410)
Depreciation for the year	(816,587)
Depreciation and impairment losses end of year	(3,467,997)
Carrying amount end of year	4,708,989

9 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	986,308	940,947
Additions	0	223,214
Disposals	(986,308)	0
Cost end of year	0	1,164,161
Impairment losses beginning of year	0	(940,947)
Impairment losses for the year	0	(223,214)
Impairment losses end of year	0	(1,164,161)
Carrying amount end of year	0	0

10 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK
Trade payables	1,518,420	1,519,020	504,694
Other payables	384,740	450,649	303,571
Deferred income	0	0	571,667
	1,903,160	1,969,669	1,379,932

Other payables relates to future lease incentives.

11 Other payables

	2023 DKK	2022 DKK
VAT and duties	385,455	1,057,066
Wages and salaries, personal income taxes, social security costs, etc. payable	142,129	104,580
Other costs payable	207,200	493,361
	734,784	1,655,007

12 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	2,791,667	3,300,000

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit comprises revenue, changes in inventories, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet**Software**

Software acquired is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over their remaining duration.

Software are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Leasehold improvements	10 years
Acquired intangible assets	3 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.