



LDK19 ApS

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

Annual report 2020

The Annual General Meeting adopted the
annual report on 11.06.2021

Albert Þór Magnússon

Chairman of the General Meeting

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Entity details

Entity

LDK19 ApS

Hammerensgade 1, 2.

1267 København K

CVR No.: 40292152

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Albert Þór Magnússon, Chairman of the board

Executive Board

Lóa Dagbjört Kristjánsdóttir, managing director

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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 11.06.2021

Executive Board

Lóa Dagbjört Kristjánsdóttir
managing director

Board of Directors

Albert Þór Magnússon
Chairman of the board

Independent auditor's extended review report

To the shareholders of LDK19 ApS

Conclusion

We have performed an extended review of the financial statements of LDK19 ApS for the financial year 01.01.2020 - 31.12.2020, 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, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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. We are independent of the Entity in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 11.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bryndis Símonardóttir

State Authorised Public Accountant
Identification No (MNE) mne40064

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 loss of DKK 1.784 thousand. Equity amounts to DKK (1.612) thousand pr. 31.12.2020. The income in 2019 is from the period the store opened in the autumn 2019.

In 2020, COVID-19 resulted in the company generating much lower revenue than expected at the onset of the year. This decline was due in part to the national lockdown in the spring 2020 and again in December 2020. Only to a very limited extent has it been possible for the company to mitigate the consequences of this decline in revenue by cutting fixed costs. During 2020, government compensation packages were adopted as financial support. The company expects to apply for fixed cost compensation for the lockdown period from 17 December 2020 to 30 April 2021. In 2020, DKK 110 thousand has been recognized as income for the lockdown period from 17 December to 31 December 2020.

Furthermore, the parent company will, if necessary, withhold their receivables from 2020 amounting to DKK 6,664 thousand at 31 December as well as further receivables occurred in 2021. As mentioned above, the company expects to receive payment regarding the government aid packages in 2021.

The company expects to re-establish equity through future profits.

Events after the balance sheet date

In early 2021, the Danish Government prolonged the COVID-19 restrictions until April 2021. With a drop of around 60% on the same period last year, the company's activities are heavily affected. The company expects to receive fixed cost compensation in 2021. Apart from this, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss	2	1,328,397	1,221,583
Staff costs	3	(2,307,358)	(940,943)
Depreciation, amortisation and impairment losses		(814,993)	(209,550)
Operating profit/loss		(1,793,954)	71,090
Other financial income	4	91,910	106,304
Other financial expenses	5	(118,759)	(18,935)
Profit/loss before tax		(1,820,803)	158,459
Tax on profit/loss for the year	6	36,000	(36,000)
Profit/loss for the year		(1,784,803)	122,459
Proposed distribution of profit and loss			
Retained earnings		(1,784,803)	122,459
Proposed distribution of profit and loss		(1,784,803)	122,459

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		123,437	0
Intangible assets	7	123,437	0
Leasehold improvements		7,102,673	7,904,677
Property, plant and equipment	8	7,102,673	7,904,677
Deposits		944,457	944,457
Financial assets		944,457	944,457
Fixed assets		8,170,567	8,849,134
Manufactured goods and goods for resale		1,166,342	1,437,584
Inventories		1,166,342	1,437,584
Trade receivables		226,140	366,982
Other receivables		10,000	0
Receivables		236,140	366,982
Cash		128,252	563,780
Current assets		1,530,734	2,368,346
Assets		9,701,301	11,217,480

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		50,000	50,000
Retained earnings		(1,662,344)	122,459
Equity		(1,612,344)	172,459
Deferred tax		0	36,000
Provisions		0	36,000
Other payables		1,540,519	1,585,455
Non-current liabilities other than provisions	9	1,540,519	1,585,455
Trade payables		1,816,977	3,406,196
Payables to group enterprises		6,663,722	5,544,281
Other payables	10	1,263,965	446,524
Deferred income		28,462	26,565
Current liabilities other than provisions		9,773,126	9,423,566
Liabilities other than provisions		11,313,645	11,009,021
Equity and liabilities		9,701,301	11,217,480
Going concern	1		
Unrecognised rental and lease commitments	11		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	122,459	172,459
Profit/loss for the year	0	(1,784,803)	(1,784,803)
Equity end of year	50,000	(1,662,344)	(1,612,344)

Notes

1 Going concern

In 2020, COVID-19 resulted in the company generating much lower revenue than expected at the onset of the year. This decline was due in part to the national lockdown in the spring 2020 and again in December 2020. Only to a very limited extent has it been possible for the company to mitigate the consequences of this decline in revenue by cutting fixed costs. During 2020, government compensation packages were adopted as financial support. The company expects to apply for fixed cost compensation for the lockdown period from 17 December 2020 to 30 April 2021.

Furthermore, the parent company will, if necessary, withhold their receivables from 2020 amounting to DKK 6,664 thousand at 31 December as well as further receivables occurred in 2021. As mentioned above, the company expects to receive payment regarding the government aid packages in 2021.

The company expects to re-establish equity through future profits.

2 Gross profit/loss

The company's gross profit for 2020 has been extraordinarily affected partly by declining revenue due to lockdowns caused by COVID-19, partly by other operating income recognised from COVID-19 compensation packages. In 2020, the company recognised DKK 110 thousand in fixed cost compensation for the period 17.12.20 - 31.12.20

3 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	2,150,404	888,667
Pension costs	109,174	46,533
Other social security costs	47,780	5,743
	2,307,358	940,943
Average number of full-time employees	6	8

4 Other financial income

	2020	2019
	DKK	DKK
Other interest income	4,313	1
Exchange rate adjustments	87,597	106,303
	91,910	106,304

5 Other financial expenses

	2020 DKK	2019 DKK
Other interest expenses	33,934	3,118
Other financial expenses	84,825	15,817
	118,759	18,935

6 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	(36,000)	36,000
	(36,000)	36,000

7 Intangible assets

	Acquired intangible assets DKK
Additions	126,187
Cost end of year	126,187
Amortisation for the year	(2,750)
Amortisation and impairment losses end of year	(2,750)
Carrying amount end of year	123,437

8 Property, plant and equipment

	Leasehold improvements DKK
Cost beginning of year	8,114,227
Additions	10,239
Cost end of year	8,124,466
Depreciation and impairment losses beginning of year	(209,550)
Depreciation for the year	(812,243)
Depreciation and impairment losses end of year	(1,021,793)
Carrying amount end of year	7,102,673

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	1,540,519
	1,540,519

Other payables relates to future lease incentives.

10 Other payables

	2020 DKK	2019 DKK
VAT and duties	925,112	188,504
Wages and salaries, personal income taxes, social security costs, etc payable	338,853	258,020
	1,263,965	446,524

11 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	3,300,000	4,000,000

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 certain 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 ordinary 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.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

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:

Leasehold improvements	10 years
IT and software	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.