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# *Surf Shack ApS*

Nørre Farimagsgade 63, DK-1364 København K

Annual Report for  
27 March 2019 - 30 June 2020

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CVR-nr. 40 39 17 54

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 22/12 2020

Jason Matthew  
Renwick  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's statement	1
Practitioner's Statement on Compilation of Financial Statements	2
<b>Company information</b>	
Company information	3
<b>Financial Statements</b>	
Income statement 27 March 2019 - 30 June 2020	4
Balance sheet 30 June 2020	5
Notes to the Financial Statements	7

# Management's statement

The Executive Board has today considered and adopted the Financial Statements of Surf Shack ApS for the financial year 27 March 2019 - 30 June 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2020 of the Company and of the results of the Company operations for 2019/20.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen K, 22 December 2020

## Executive Board

Matthew Alexander Niall

Jason Matthew Renwick

# Practitioner's Statement on Compilation of Financial Statements

To the Management of Surf Shack ApS

We have compiled the Financial Statements of Surf Shack ApS for the financial year 27 March 2019 - 30 June 2020 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet 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.

Hilleroed, 22 December 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Carsten Blicher

State Authorised Public Accountant

mne16560

## Company information

<b>The Company</b>	Surf Shack ApS Nørre Farimagsgade 63 DK-1364 København K CVR No: 40 39 17 54 Financial period: 27 March 2019 - 30 June 2020 Municipality of reg. office: Copenhagen
<b>Executive board</b>	Matthew Alexander Niall Jason Matthew Renwick
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Milnersvej 43 3400 Hillerød
<b>Bankers</b>	Danske Bank A/S

## Income statement 27 March 2019 - 30 June 2020

	Note	2019/20
		DKK 15 months
<b>Gross profit/loss</b>		<b>883,958</b>
Staff expenses	2	-963,398
Depreciation and impairment losses of property, plant and equipment	3	-7,260
<b>Profit/loss before financial income and expenses</b>		<b>-86,700</b>
Financial expenses		-2,981
<b>Profit/loss before tax</b>		<b>-89,681</b>
Tax on profit/loss for the year	4	19,730
<b>Net profit/loss for the year</b>		<b>-69,951</b>

### Distribution of profit

	2019/20
	DKK
<b>Proposed distribution of profit</b>	
Retained earnings	-69,951
	<b>-69,951</b>

## Balance sheet 30 June 2020

### Assets

	Note	2019/20 DKK
Plant and machinery		26,713
<b>Property, plant and equipment</b>		<b>26,713</b>
Deposits	5	88,945
<b>Fixed asset investments</b>		<b>88,945</b>
<b>Fixed assets</b>		<b>115,658</b>
Receivables from group enterprises		187,744
Deferred tax asset		19,730
Prepayments		150
<b>Receivables</b>		<b>207,624</b>
<b>Cash at bank and in hand</b>		<b>277,542</b>
<b>Current assets</b>		<b>485,166</b>
<b>Assets</b>		<b>600,824</b>

## Balance sheet 30 June 2020

### Liabilities and equity

	<u>Note</u>	<u>2019/20</u> DKK
Share capital		50,000
Retained earnings		-69,951
<b>Equity</b>	<b>6</b>	<b><u>-19,951</u></b>
Trade payables		56,523
Payables to group enterprises		450,000
<b>Long-term debt</b>	<b>7</b>	<b><u>506,523</u></b>
Trade payables		5,000
Other payables		109,252
<b>Short-term debt</b>		<b><u>114,252</u></b>
<b>Debt</b>		<b><u>620,775</u></b>
<b>Liabilities and equity</b>		<b><u>600,824</u></b>
Key activities	1	
Contingent assets, liabilities and other financial obligations	8	
Accounting Policies	9	



# Notes to the Financial Statements

## 1. Key activities

The company's main activity is operation of restaurants.

	<u>2019/20</u> DKK
<b>2. Staff Expenses</b>	
Wages and salaries	949,572
Other social security expenses	<u>13,826</u>
	<b><u>963,398</u></b>
 Average number of employees	 <u>1</u>

	<u>2019/20</u> DKK
<b>3. Depreciation and impairment losses of property, plant and equipment</b>	
Depreciation of property, plant and equipment	<u>7,260</u>
	<b><u>7,260</u></b>

	<u>2019/20</u> DKK
<b>4. Income tax expense</b>	
Deferred tax for the year	<u>-19,730</u>
	<b><u>-19,730</u></b>

	<u>Deposits</u> DKK
<b>5. Other fixed asset investments</b>	
Cost at 27 March	<u>88,945</u>
Cost at 30 June	<u>88,945</u>
 Carrying amount at 30 June	 <u>88,945</u>

# Notes to the Financial Statements

## 6. Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 27 March	50,000	0	50,000
Net profit/loss for the year	0	-69,951	-69,951
<b>Equity at 30 June</b>	<b>50,000</b>	<b>-69,951</b>	<b>-19,951</b>

## 7. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019/20
	DKK
<b>Trade payables</b>	
After 5 years	0
Between 1 and 5 years	56,523
Long-term part	56,523
Within 1 year	0
Other short-term trade payables	5,000
Short-term part	5,000
	<b>61,523</b>
<b>Payables to group enterprises</b>	
After 5 years	0
Between 1 and 5 years	450,000
Long-term part	450,000
Within 1 year	0
	<b>450,000</b>

# Notes to the Financial Statements

## 8. Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of The Down Under Guys, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of Surf Shack ApS for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2019/20 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.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

## 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 expenses for premises, sales and as well as office expenses, etc.

# Notes to the Financial Statements

## Gross profit/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.

## 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 parent company and sister. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

# Balance sheet

## 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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

Plant and machinery	5 years
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 14,100 are expensed in the year of acquisition.

## Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

# Notes to the Financial Statements

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## 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.

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## 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

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