

**44 Harbour Street ApS**

**CBR number 35253297**

**Annual Report 2013**

The annual report has been presented and approved at the company's ordinary general meeting  
on 4/6 - 2014



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Chairman

## Contents

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Company information.....	3
Statement by the Management .....	4
Independent Auditor's Report.....	5
Management's review .....	6
Utilised accounting practice .....	7
Income statement .....	10
Assets.....	11
Liabilities.....	12
Notes .....	13

## Company information

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### Company

44 Harbour Street ApS  
Havnegade 44  
DK-1058 Copenhagen K

Municipality of domicile:	Copenhagen
CBR number:	35253297
Accounting period:	3 June 2013 - 31 December 2013

### The Board of Directors

Henrik Hammer  
Steen Halbye  
Niels Lan Doky  
Claus Meyer Nielsen  
Jyotin Sethi

### Management

Jacob Kocemba

### Auditor

Dansk Revision Odense  
Registered public accounting firm  
Langelinie 79  
DK-5230 Odense M

## Statement by the Management

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The board and management have today processed and approved the annual report for 3 June 2013 - 31 December 2013 for 44 Harbour Street ApS.

The Annual Report is submitted in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements provide an accurate picture of the company's assets, liabilities and financial position as at 31

December 2013 as well as the results of the company's activities for the financial year 3 June 2013 - 31 December 2013.

In our opinion, the Management's Review contains an accurate account of the conditions the review concerns.

The Annual Report will be submitted for approval by the general meeting.

Copenhagen K, 18 March 2014

### Management:

Jacob Kocemba

### The Board:

Henrik Hammer  
Chairman

Claus Meyer-Nielsen

Steen Halbye

Jyotin Sethi

Niels Lan Doky

## Independent Auditor's Report

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To the capital owners of 44 Harbour Street ApS

### Report on the Financial Statements

We have audited the financial statements of 44 Harbour Street ApS for the financial year 3 June 2013 to 31 December 2013, which comprise utilised accounting practice, income statement, balance sheet and notes for the Company. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### Management's Responsibility for the Financial Statements

The 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2013 and of the results of the Company's operations for the financial year 3 June 2013 to 31 December 2013 in accordance with the Danish Financial Statements Act.

### Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Odense M, 18 March 2014

### Dansk Revision Odense

Registered Public Accounting Firm



Hans Christian Hansen

Partner, Registered Accountant



Søren Rudolph

State Authorised Public Accountant

## Management's review

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### Main activity

The company's main activity is to operate the restaurants Almanak, Studio and Verandah as well as music venue, Jazz Club, under the joint name - The Standard - in all aspects an ambitious project. Three restaurants and a jazz club under the same roof in one of Copenhagen's most beautiful and iconic buildings, with the aim of creating superb experiences for the guests of the establishment.

The establishment opened on 5 October 2013 and the owners consider the year's results as less than satisfactory but not surprising. Substantial investments have been made to create the settings and to renovate the establishment. Investment was also made, without compromise, for the team to be 100% ready to welcome guests from the first day.

The establishment's performance for the first three months meets expectations. The restaurants as well as the jazz club have had a good start, reviews have been fantastic and the customers' awareness of the existence of The Standard was created in quite a short period of time.

Therefore, the board is looking forward to 2014 with the expectation of a positive performance of the company which, in the future, will only be a property company since the activities will be transferred to new operating companies on 1 March 2014.

### Development in activities and financial circumstances

The year's deficit after tax of DKK 3.9 million must be seen on the basis that the company's performance is still in the build-up phase with large investments and start-up costs.

In 2013, a total of DKK 15.5 million has been invested in the fitting out of the leased premises as well as the purchase of inventory and operating equipment.

### Events after the conclusion of the financial year

After the conclusion of the financial year, in March 2014 a reconstruction of the company's capital situation was implemented where the company's group of owners have forgiven debt to the company of DKK 6.9 million and implemented a capital reduction of TDKK 80. At the same time, the cash share capital invested is TDKK 50, after which the company's equity comprises TDKK 50.

A demerger was subsequently implemented where the company's activity has been transferred to four new operating companies: Almanak ApS, Studio ApS, 44 Harbour Street Jazz Club ApS and Verandah ApS.

The aim of the reconstruction and demerger is to achieve a better incentive structure where a closer connection exists between the individual owners' contribution, responsibility and ownership.

The company's activity will then be to exclusively function as an administration company of the commercial lease, Havnegade 44, Copenhagen.

The company's capital situation and financial resources is then considered to be sufficient to continue operations in 2014.

## Utilised accounting practice

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### General

The annual report has been submitted in accordance with the Danish Financial Statements Act for reporting class B.

Comparative figures have been omitted as this is the company's first financial year.

In addition, the company has chosen to follow certain regulations from overlapping reporting classes.

### In general about recognition and measuring

Assets are recognized in the balance sheet when it is probable that future financial advantages will flow to the company and the asset's value can be reliably measured.

Liabilities are recognized in the balance sheet when it is probable that future financial resources will flow out of the company and the liability's value can be reliably measured.

For the initial recognition, assets and liabilities are measured at cost price. Subsequently, assets and liabilities are measured as described for each individual accounting item below.

Some financial assets and liabilities are measured at amortized cost price, by which a constant effective interest rate over the period is recognized. Amortized cost price is calculated as the original cost price less possible payments as well as addition/deduction of the accumulated amortization of the difference between cost price and nominal amount.

For recognition and measuring, consideration is taken of unforeseen loss and risks that appear prior to submission of the annual report and which confirm or disprove conditions that existed on the balance sheet date.

Revenues are recognised in the income statement in line with them being earned. Valuation adjustments of financial assets and liabilities are also recognised, which are measured at fair value or amortized cost price. Furthermore, costs are recognised that are paid to achieve the year's revenue, including depreciations, impairments and provisions for liabilities as well as write-backs as a result of changed accounting estimates of amounts that were previously recognised in the income statement.

### Translation of foreign currency

Transactions in foreign currency in the course of the year are translated at the rate on the date of transaction. Receivables, debt and other items in foreign currency that are not settled on the balance sheet date are translated at the rate on the balance sheet date.

Realised and unrealised exchange rate adjustments are recognised in the income statement under financial items.

Financial instruments are not used to secure the equivalent value in Danish Kroner of balance sheet items in foreign currency as well as future transactions in foreign currency.

### Income Statement

#### Net revenue

The net revenue is recognized in the income statement if delivery and risk transfer to the buyer has taken place before the end of the financial year. The net revenue is recognized excluding VAT less discounts in connection with the sale.

#### Gross profit

The net revenue less costs for goods sold as well as other external costs are summarised in the item "Gross profit".

## Utilised accounting practice

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### Other external expenses

Other external costs include costs for sales, advertising, administration, facilities, loss on debtors, operational leasing costs, etc.

### Leasing contracts

Lease payments on contracts that are not financial leasing contracts and other lease agreements are recognised in the income statement over the period of the contracts. The company's total liabilities regarding leasing and lease agreements are disclosed under rent and leasing commitments.

### Staff expenses

Staff expenses include wages and salaries as well as social expenses, pensions, etc. for the company's staff.

### Financial income and costs

Financial items include interest income and costs, realised and unrealised exchange gains and losses regarding transactions in foreign currency, as well as additions and allowances regarding on the account tax scheme, etc.

### Tax on profit for the year

The tax for the year, which comprises current tax for the year and staggering of deferred tax are recognized in the income statement with that part that can be attributed to the year's results and directly on equity with that part that can be attributed to items directly on equity.

### Balance Sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost price less accumulated depreciations. Linear depreciation is performed based on the assessment of the assets' expected lifetimes and residual values.

The depreciation basis is cost price with deduction

of expected residual value after concluded lifetime. The cost price includes the purchase price as well as costs directly associated to the purchase until the time where the asset is ready to be used.

Expected lifetimes are recognised as follows:

Fittings in leasehold	7 years
Other fixtures and fittings, tools and equipment	5 years

Gains or losses on the divestment of property, plant and equipment are calculated as the difference between the sales price, less sales costs, and the book value at the time of sale. Gains or losses are recognised in the income statement under other operating income or other operating costs.

#### Fixed asset investments

Deposits are measured at cost price.

#### Stock

Stock is measured at cost price according to the FIFO method or the net realisation value where this is lower. Possible impairments to the net realisation value are recognised in the income statement.

The net realisation value for stock is calculated as sales price less completion costs and costs that are paid to effect the sale and are determined in consideration of transferability, unsaleability and development in the expected sales price.

The cost price for merchandise as well as raw materials and auxiliary materials include purchase price with the addition of purchase costs.

#### Receivables

Receivables are measured in the balance sheet at amortized cost price, which usually corresponds to the nominal value. The value is reduced with impairments to meet expected loss after a valuation of the individual receivable.

## Utilised accounting practice

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### **Accruals and deferred income**

Accruals and deferred income that are recognised under assets include costs incurred relating to the following financial year.

### **Cash at bank or in hand**

Cash at bank or in hand include cash holdings and cash at bank.

### **Liabilities**

Debt is measured at amortized cost price, which usually corresponds to the nominal value.

### **Owing tax and deferred tax**

Current tax payable and receivable are measured in the balance sheet as calculated tax on the taxable income for the year adjusted for previous years' taxable income and taxes paid on account.

Deferred tax is measured according to the balance sheet liability method on all temporary differences between accounting and tax values of assets and liabilities. Deferred tax is measured on the basis of the tax rules and tax rates that are legally applicable on the balance sheet date when the deferred tax is expected to be paid as current tax. Change to deferred tax as a result of changes to the tax rates is recognized in the income statement.

Deferred tax assets, including the tax value of tax loss entitled to carry-forward, are measured at the value at which the asset is expected to realize either by settlement in tax of future revenue or by setting-off deferred tax liabilities within the same juridical tax unit. Possible deferred net tax assets are measured at the net realization value.

		2013
Note	<b>Income statement</b>	DKK
	<b>Period 3 June - 31 December</b>	
	<b>Gross profit</b>	<b>1,864,482</b>
1	Staff expenses	-5,773,321
	Depreciations, fixed assets	-529,163
	<b>Results before financial items</b>	<b>-4,438,002</b>
	Financial expenses	-753,443
	<b>Results before tax</b>	<b>-5,191,446</b>
	Tax on profit for the year	1,251,816
	<b>Results for the year</b>	<b>-3,939,630</b>
	 <b>Proposal for distribution of the profit for the year:</b>	
	Results for the year	-3,939,630
	<b>For distribution in total</b>	<b>-3,939,630</b>
	 Carried-forward results at end of year	-3,939,630
	<b>Total distribution of profit for the year</b>	<b>-3,939,630</b>

Note	<b>Balance sheet</b>	2013 DKK
<b>Assets as at 31 December</b>		
	Leasehold improvements	12,881,988
	Other fixtures and fittings, tools and equipment	<u>1,661,617</u>
	<b>Property, plant and equipment</b>	<b><u>14,543,605</u></b>
	Deposits	<u>449,100</u>
	<b>Fixed asset investments</b>	<b><u>449,100</u></b>
	<b>Total fixed assets</b>	<b><u>14,992,705</u></b>
	Raw materials and auxiliary materials	282,590
	Stock	<u>484,148</u>
	<b>Stock</b>	<b><u>766,737</u></b>
	Receivables from sales and services	1,035,880
	Deferred tax assets	1,251,816
	Other receivables	1,410,127
	Accruals and deferred income	<u>462,359</u>
	<b>Receivables</b>	<b><u>4,160,181</u></b>
	<b>Cash at bank or in hand</b>	<b><u>2,013,169</u></b>
	<b>Total current assets</b>	<b><u>6,940,088</u></b>
	<b>Total assets</b>	<b><u>21,932,793</u></b>

		2013
Note	<b>Balance sheet</b>	DKK
	<b>Liabilities as at 31 December</b>	
	Corporate capital	80,000
	Carried-forward results	<u>-3,939,630</u>
2	<b>Total equity</b>	<b><u>-3,859,630</u></b>
	Credit banks	11,493,824
	Received prepayments from customers	285,300
	Suppliers of products and services	5,404,937
	Debt to associated companies	7,521,685
	Other debt	<u>1,086,677</u>
	<b>Short-term liabilities</b>	<b><u>25,792,422</u></b>
	<b>Total debt and liability provisions</b>	<b><u>25,792,422</u></b>
	<b>Total liabilities</b>	<b><u>21,932,793</u></b>
3	Contingencies	
4	Rent and leasing commitments	
5	Mortgages and securities	

Note	Notes	2013		
		DKK		
<b>1</b>	<b>Staff expenses</b>			
	Wages and salaries			5,537,457
	Pensions			72,716
	Other expenses for social security			163,148
	<b>Total staff expenses</b>			<b>5,773,321</b>
<b>2</b>	<b>Equity</b>	Corporate capital	Carried- forward results	Total
		1,000 DKK	1,000 DKK	1,000 DKK
	Balance at beginning of year	0	0	0
	Establishment (cash)	80	0	80
	Results for the year	0	-3,940	-3,940
	<b>Equity at end of year</b>	<b>80</b>	<b>-3,940</b>	<b>-3,860</b>

The corporate capital comprises shares at DKK 1,000 or multiples thereof.

The corporate capital was increased on 3 June 2013 in cash with DKK 80,000 in connection with establishment of the company.

### **3 Contingencies**

None.

### **4 Rent and leasing commitments**

The company has a leasing commitment with variable rent DKK 495,868 with a remaining period of 34-55 months.

The company also has a rent commitment. The rent is index-linked. The rent commitment is calculated at DKK 17,002,600 and has a remaining period of 6-44 months.

### **5 Mortgages and securities**

As security for debt with the bank, an all-moneys mortgage has been registered with nominal DKK 4,000,000 in simple claim from the sale of items and services, stock, intellectual property rights and operating inventory/material.