

Annual report 31.03.2019

Board of directors' report

Annual accounts

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Auditors' report

Annual Report 2018/19

Designit Oslo AS

Company No.: 990 679 614

Type of business

Designit Oslo AS operates 360-degree design, idea and product development as well as trade and participation in other activities that naturally fall under this.
The company has their office in Oslo.

Development in earnings and position

Revenue for the period 01.04.2018-31.03.2019 was 62,2 MNOK, 5,0 MNOK lower than the previous year. The loss for the year is -2,1 MNOK compared to a profit of 0,4 MNOK last year. Operating profit, before depreciation, amounted to positive NOK 343 TNOK compared to 3,1 MNOK the year before. The total capital was at the end of the year 23,0 MNOK compared with 27,2 MNOK the year before. The company has equity of 7,2 MNOK as of 31 March 2019, against 8,8 NOK in 2017.

The Board believes that the financial statements presented provide a true and fair view of the development and the result of the company's business and position.

Going concern

In accordance with section 3-3 of the Norwegian Accounting Act, it is confirmed that the conditions for continued operation are present. The company has a loss the current year, but made a profit over the last three years as of 31 March 2018 and has an equity ratio of 31,2% as of 31. March 2019. The criteria for continued operation are considered as fulfilled.

Equality

The company's board consist of two men.

Environmental

The company's business does not pollute the external environment.

Oslo, /06/2019

Sd

Ashish Chawla
Chairman of the board

Sd

Christian Søgaaard
Board member

Sd

Niklas Skovholt Mortensen
General manager

Designit Oslo AS

Income statement

	Note	31.03.2019	31.03.2018
Total revenue		<u>62 217 914</u>	<u>67 214 376</u>
Operating expenses			
Cost of stocks		0	2 860 388
Payroll expenses	2	43 115 768	47 194 166
Depreciation of tangible and intangible fixed assets	3	2 264 178	2 229 621
Other operating expenses	2	<u>18 759 046</u>	<u>14 039 511</u>
Total operating expenses		<u>64 138 992</u>	<u>66 323 686</u>
Operating result		<u>-1 921 078</u>	<u>890 690</u>
Financial income and expenses			
Other financial income		15 607	229 584
foreign exchange income		313 446	428 565
Other interest expenses		85 028	241 657
Foreign exchange losses		<u>415 264</u>	<u>860 371</u>
Net financial items		<u>-171 239</u>	<u>-443 879</u>
Ordinary result before tax		<u>-2 092 317</u>	<u>446 811</u>
Tax on ordinary result	5	<u>-439 249</u>	<u>147 129</u>
Net profit or loss for the year		<u>-1 653 068</u>	<u>299 682</u>
Allocated as follows			
Transferred to other equity	4	<u>-1 653 068</u>	<u>299 682</u>

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Balance sheet

	Note	31.03.2019	31.03.2018
Fixed assets			
<i>Intangible assets</i>			
Deferred tax asset	5	923 645	484 396
Total intangible assets		<u>923 645</u>	<u>484 396</u>
<i>Tangible assets</i>			
Fixtures and fittings, tools, office machinery etc.	3	4 481 692	6 343 537
Total tangible assets		<u>4 481 692</u>	<u>6 343 537</u>
Total fixed assets		<u>5 405 337</u>	<u>6 827 933</u>
Current assets			
<i>Receivables</i>			
Trade receivables	7	9 210 581	12 599 471
Other receivables		3 826 813	4 572 962
Total accounts receivable		<u>13 037 394</u>	<u>17 172 433</u>
Cash and cash equivalents	6	<u>4 588 177</u>	<u>3 190 680</u>
Total current assets		<u>17 625 571</u>	<u>20 363 113</u>
Total assets		<u>23 030 908</u>	<u>27 191 047</u>

Designit Oslo AS

Balance sheet

	Note	31.03.2019	31.03.2018
Equity			
<i>Paid-in capital</i>			
Share capital	4	100 000	100 000
Share premium reserve	4	0	4 000
Total paid-in capital		<u>100 000</u>	<u>104 000</u>
<i>Retained earnings</i>			
Other equity	4	<u>7 079 409</u>	<u>8 738 832</u>
Total retained earnings		<u>7 079 409</u>	<u>8 738 832</u>
Total equity		<u>7 179 409</u>	<u>8 842 832</u>
Liabilities			
<i>Current liabilities</i>			
Trade creditors		1 712 459	318 220
Tax payable	5	284 350	2 750 747
Public duties payable		9 241 127	4 030 238
Other short-term liabilities		<u>4 613 564</u>	<u>11 249 011</u>
Total current liabilities		<u>15 851 500</u>	<u>18 348 216</u>
Total liabilities		<u>15 851 500</u>	<u>18 348 216</u>
Total equity and liabilities		<u>23 030 908</u>	<u>27 191 047</u>

Oslo,

Sd

Niklas Skovholt Mortensen
Daglig leder

Sd

Ashish Chawla
Styrets leder

Sd

Christian Søgaaard
Styremedlem

Cash flow statement

	Note	31.03.2019	31.03.2018
Cash flow from operating activities			
Profit/(loss) before tax		-2 092 317	446 811
Taxes paid		-2 466 397	0
Depreciation and amortisation		2 264 178	2 229 621
Changes in inventories, trade receivables and trade payables		4 783 129	-2 893 415
Items classified as investing or financing activities		746 149	334 137
Changes in other current balance sheet items		-1 852 246	-1 533 503
Net cash flow from operating activities		<u>1 382 496</u>	<u>-1 416 351</u>
Cash flow from investing activities			
Proceeds from sale of tangible fixed assets		15 000	-1 363 821
Net cash flow from investing activities		<u>15 000</u>	<u>-1 363 821</u>
Cash flow from financing activities			
Net cash flow from financing activities		<u>0</u>	<u>0</u>
Net change in cash and cash equivalents		1 397 496	-2 780 172
Cash and cash equivalents at 01.01		<u>3 190 681</u>	<u>5 970 852</u>
Cash and cash equivalents at 31.12		<u>4 588 177</u>	<u>3 190 680</u>

Notes

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles for small companies.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non- incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non- current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the esimated future cash flows are discounted to their present value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

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Notes

Note 2 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

<i>Wage costs</i>	31.03.2019	31.03.2018
Salaries	36 641 084	36 924 867
Payroll tax	5 067 338	5 825 736
Pension costs	1 636 464	1 649 139
Other payments	-229 119	2 794 424
Total	43 115 768	47 194 166

Management remuneration

	Salary	Pension expenses	Other remuneration
General manager 01.04.18 - 31.01.19	916 667	47 610	9 180
General manager 01.01.2019 -	275 000	10 335	2 754

During 2018/2019 has there been two general managers

Auditor fee has been divided as follows **31.03.2019**

Audit fee	70 000
Other services	53 000

VAT is not included in the figures of auditor's fee.

Note 3 - Tangible assets

	Machinery and Office equipment	Land, buildings and other property	Total
Acquisition cost 01.04	1 946 203	8 039 584	9 985 787
Purchased tangibles	417 333	0	417 333
Acquisition cost 31.03	2 363 536	8 039 584	10 403 120
Acc.depreciation 31.03	-1 886 460	-4 034 966	-5 921 426
Net carrying amount at 31.03	477 076	4 004 618	4 481 694
Depreciation for the year	1 616 385	662 793	2 279 178
Useful economic life	3-5	10	

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Notes

Note 4 - Owners equity

	Share capital	Share premium reserve	Other equity	Total
Owners equity 01.01.	100 000	4 000	8 738 832	8 842 832
Profit for the year	0	0	-1 653 068	-1 653 068
Prior year adjustment	0	0	-10 355	-10 355
Owners equity 31.12.	100 000	4 000	7 075 409	7 179 409

Note 5 - Income taxes

<i>Income tax expenses</i>	31.03.2019	31.03.2018
Tax payable	0	308 729
Change in deferred tax	-439 249	-190 789
Errors earlier year	0	29 189
Total income tax expense	-439 249	147 129

<i>Tax base estimation</i>	31.03.2019	31.03.2018
Ordinary result before tax	-2 092 317	446 811
temporary differences	1 140 626	839 561
Tax base	-951 691	1 286 371

<i>Temporary differences outlined</i>	31.03.2019	31.03.2018
Fixed assets	-2 566 200	-1 421 957
Receivables	-680 499	-684 114
Total	-3 246 699	-2 106 071
Loss carried forward	-951 691	0
Base for deferred tax	-4 198 390	-2 106 071
Deferred income tax liability (22%, 23%)	-923 646	-484 396

Note 6 - Bank deposit

	31.03.2019
Restricted cash for withheld tax:	958 518

Note 7 - Bad debt

	31.03.2019	31.03.2018
Provisions as of 1 January	-684 114	-735 186
Provisions as of 31 December	-858 281	-684 114
Change in provisions for bad debt	174 167	-51 072

Notes