

# Veldhoven Denmark ApS

A.P. Møllers Allé 39 A, st. tv., 2791 Dragør

CVR no. 27 56 08 73



## Annual report 2015

Approved at the annual general meeting of shareholders on 7 July 2016

Chairman:

.....  
Martijn R. A. Veldhoven



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### Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Veldhoven Denmark ApS for the financial year 1 January - 31 December 2015.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 7 July 2016  
Executive Board:



Martijn R. A. Veldhoven

## Independent auditors' report

To the shareholders of Veldhoven Denmark ApS

### Independent auditors' report on the financial statements

We have audited the financial statements of Veldhoven Denmark ApS for the financial year 1 January - 31 December 2015, which comprise an 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.

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

### *Auditors' 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 regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating 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 qualified opinion.

### Qualification

#### *Basis for qualified opinion*

We were unable to obtain sufficient appropriate audit evidence about the Company's VAT receivable at 31 December 2015. Accordingly, we were unable to confirm or verify the completeness and existence of other receivables of DKK 249 thousand. As a result of these matters, we were unable to determine whether any adjustments may have been necessary in respect of recorded or unrecorded VAT receivables and the related effect on gross profit/loss for 2015 as well as the implications on the statement of changes in equity.

Our auditors' report on the financial statements for 2013 included a qualification regarding the measurement of the Company's trade receivables which, in our opinion, had been overstated by DKK 1,500 thousand. Consequently, our auditors' report on the financial statements for 2015 also included a qualification regarding the impact of the above on the comparative figures in the income statement for 2014.

#### *Qualified opinion*

In our opinion, except for the possible effects regarding the completeness and existence of other receivables and the effect on the comparative figures in the income statement referred to in the paragraph 'Basis for qualified opinion', the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the period 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

## Independent auditors' report

### Emphasis of matter regarding matters in the financial statements

Without qualifying our opinion, we wish to draw attention to note 2 to the financial statements, which describes that the Company's operations and negative shareholders equity are being financed via intra-group loans and that the Company's parent Company has issued a letter of financial support undertaking to provide the Company with financial support to meet its obligations as they fall due until 1 June 2017.

### Report on other legal and regulatory requirements

#### Emphasis-of-matter paragraph concerning other matters

The Company has not filed a correct basis for VAT returns with the relevant authorities in due time. As a result, Management may be held liable.

Management has not complied with its obligations under the Danish Companies Act to convene a general meeting within six months after the Company's capital loss has been recorded and to give an account of the Company's financial position and, if required, propose any appropriate measures to be taken. Management may be held liable in this respect.

As the Company's annual report was not submitted within the deadlines stipulated in the Danish Financial Statements Act, Management may be held liable.

### 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 other 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.

Copenhagen, 7 July 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Henrik Reedtz  
State Authorised Public Accountant

## Management's review

### Company details

Name	Veldhoven Denmark ApS
Address, Postal code, City	A.P. Møllers Allé 39 A, st. tv., 2791 Dragør
CVR No.	27 56 08 73
Registered office	Dragør
Financial year	1 January - 31 December
Executive Board	Martijn R. A. Veldhoven
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea Bank Danmark

## Operating review

### The Company's business review

The main objective of the Company is to carry on wholesaling of women's fashion and related activities, including retail shops.

### Unusual matters having affected the financial statements

#### *Going concern*

The Company's has lost its share capital and shareholder's equity is negative by DKK 54 million at 31 December 2015, and the Company's operations are financed fully through intra-group loans from, Veldhoven B.V. The Company's parent, Veldhoven International AG, has issued a letter of financial support, dated 22 June 2016, undertaking to provide the Company with financial support to meet its obligations as they fall due until 1 June 2017. On this basis, Management has presented the financial statements on a going concern assumption.

### Financial review

The income statement for 2015 shows a loss of DKK 1,649,688 against a loss of DKK 4,442,536 last year, and the balance sheet at 31 December 2015 shows negative equity of DKK 53,764,869.

### Events after the balance sheet date

Beside the matters referred to in the section "Going concern" above, no events have occurred subsequent to the balance sheet date which could significantly affect the Company's financial position.

## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK	2015	2014
	<b>Gross profit/loss</b>	-81,707	13,134
4	Staff costs	-50,000	-2,573,063
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	0	-145,372
	<b>Operating loss</b>	-131,707	-2,705,301
	Financial income	299	0
5	Financial expenses	-1,518,280	-1,737,235
	<b>Loss before tax</b>	-1,649,688	-4,442,536
	Tax for the year	0	0
	<b>Loss for the year</b>	-1,649,688	-4,442,536
	 <b>Distribution of loss</b>		
	Accumulated loss	-1,649,688	-4,442,536
		-1,649,688	-4,442,536

**Financial statements for the period 1 January - 31 December**
**Balance sheet**

Note	DKK	2015	2014
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	Investments		
	Other receivables	203,579	504,414
		<u>203,579</u>	<u>504,414</u>
	<b>Total non-current assets</b>	<u>203,579</u>	<u>504,414</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Trade receivables	1,577,113	2,273,620
	Receivables from group entities	7,529,992	7,135,981
	Other receivables	927,836	529,885
	Prepayments	0	33,056
		<u>10,034,941</u>	<u>9,972,542</u>
	<b>Cash</b>	<u>750,974</u>	<u>753,036</u>
	<b>Total current assets</b>	<u>10,785,915</u>	<u>10,725,578</u>
	<b>TOTAL ASSETS</b>	<u><u>10,989,494</u></u>	<u><u>11,229,992</u></u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
6	Share capital	500,000	500,000
	Retained earnings	-54,264,869	-52,615,181
	<b>Total equity</b>	<u>-53,764,869</u>	<u>-52,115,181</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	0	341,756
	Payables to group entities	64,637,096	62,592,928
	Other payables	117,267	410,489
		<u>64,754,363</u>	<u>63,345,173</u>
	<b>Total liabilities other than provisions</b>	<u>64,754,363</u>	<u>63,345,173</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>10,989,494</u></u>	<u><u>11,229,992</u></u>

- 1 Accounting policies
- 2 Financing and going concern
- 3 Events after the balance sheet date
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties



## Financial statements for the period 1 January - 31 December

## Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	500,000	-52,615,181	-52,115,181
Profit/loss for the year	0	-1,649,688	-1,649,688
Equity at 31 December 2015	500,000	-54,264,869	-53,764,869

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Veldhoven Denmark ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies applied by the Company are consistent with those of last year.

### Income statement

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue once the risk passes to the buyer. VAT, indirect taxes and discounts are excluded from revenue.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

#### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, realised and unrealised capital and exchange gains and losses on foreign currency transactions.

#### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity. Current and deferred taxes related to items recognised directly in equity are taken directly to equity.

### Balance sheet

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less provisions for impairment losses.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

##### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Provisions for deferred tax are calculated at 25% of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on non-amortisable goodwill.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

##### Liabilities

Financial liabilities, comprising trade payables, payables to group entities and other payables, are measured at net realisable value.

#### 2 Financing and going concern

The Company's has lost its share capital and shareholder's equity is negative by DKK 54 million at 31 December 2015, and the Company's operations are financed fully through intra-group loans from, Veldhoven B.V. The Company's parent, Veldhoven International AG, has issued a letter of financial support, dated 22 June 2016, undertaking to provide the Company with financial support to meet its obligations as they fall due until 1 June 2017. On this basis, Management has presented the financial statements on a going concern assumption.

#### 3 Events after the balance sheet date

Beside the matters referred to in note 2 above, no events have occurred subsequent to the balance sheet date which could significantly affect the Company's financial position.

DKK	2015	2014
<b>4 Staff costs</b>		
Wages/salaries	0	1,685,610
Pensions	0	265,874
Other social security costs	0	56,549
Other staff costs	50,000	565,030
	50,000	2,573,063

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK	2015	2014
<b>5 Financial expenses</b>		
Interest expenses, group entities	1,086,321	1,418,700
Other financial expenses	431,959	318,535
	<u>1,518,280</u>	<u>1,737,235</u>

### 6 Share capital

The share capital consists of the following:

500 shares of DKK 1,000.00 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

The Company's share capital has remained DKK 500,000 over the past 5 years.

### 7 Contractual obligations and contingencies, etc.

#### Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	0	227,843
	<u>0</u>	<u>227,843</u>

### 8 Related parties

Veldhoven Denmark ApS' related parties comprise the following:

#### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Veldhoven International A.G.	Zug, Switzerland	Zählerweg 4, 6300 Zug

#### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Veldhoven International A.G	Zählerweg 4, Schweiz