

**Change of Scandinavia Retail A/S  
Central Business Registration No  
28711336  
Farum Gydevej 73  
DK-3520 Farum**

**Annual report 2015/16**

The Annual General Meeting adopted the annual report on 15.12.2016

## **Chairman of the General Meeting**

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Name: Tom Deichmann

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## **Entity details**

### **Entity**

Change of Scandinavia Retail A/S

Farum Gydevej 73

DK-3520 Farum

Central Business Registration No: 28711336

Registered in: Furesø

Financial year: 01.07.2015 - 30.06.2016

### **Board of Directors**

Claus Walther Jensen

Gitte Breil

Niels Nielsen Krogh

### **Executive Board**

Claus Walther Jensen

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

## **Statement by Management on the annual report**

The Board of Directors and the Executive Board have today considered and approved the annual report of Change of Scandinavia Retail A/S for the financial year 01.07.2015 - 30.06.2016.

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 30.06.2016 and of the results of its operations for the financial year 01.07.2015 - 30.06.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Farum, 15.12.2016

### **Executive Board**

Claus Walther Jensen

### **Board of Directors**

Claus Walther Jensen

Gitte Breil

Niels Nielsen Krogh

## **Independent auditor's reports**

### **To the owner of Change of Scandinavia Retail A/S**

#### **Report on the financial statements**

We have audited the financial statements of Change of Scandinavia Retail A/S for the financial year 01.07.2015 - 30.06.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 as 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 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 audit opinion.

Our 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 30.06.2016 and of the results of its operations for the financial year 01.07.2015 - 30.06.2016 in accordance with the Danish Financial Statements Act.

#### **Report on other legal and regulatory requirements**

##### **Emphasis of matter regarding other issues**

As a result of some defects in the Company's ERP systems etc, the Company has prepared erroneous VAT declarations during the year, which is in contravention of the Danish VAT Act. Consequently, Management may be held liable.

## **Independent auditor's reports**

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. 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 commentary is consistent with the financial statements.

Copenhagen, 15.12.2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Henrik Wellejus

State Authorised Public Accountant

Martin Juul Møller

State Authorised Public Accountant

CVR-nr. 33963556

## Management commentary

	<b>2015/16</b> <b>DKK'000</b>	<b>2014/15</b> <b>DKK'000</b>	<b>2013/14</b> <b>DKK'000</b>	<b>2012/13</b> <b>DKK'000</b>	<b>2011/12</b> <b>DKK'000</b>
<b>Financial high-lights</b>					
<b>Key figures</b>					
Gross profit	42.922	41.387	27.010	26.556	30.870
Operating profit/loss	(311)	1.728	(5.354)	(5.254)	936
Net financials	(1.911)	(1.510)	(2.668)	(1.630)	(49)
Profit/loss for the year	(2.167)	(2.384)	(6.835)	(5.335)	665
Total assets	54.170	49.361	62.774	53.382	53.338
Investments in property, plant and equipment	5.368	4.788	2.695	1.253	8.520
Equity	(9.861)	(7.694)	(5.308)	1.528	6.865
Employees in average	118	108	90	94	97
<b>Ratios</b>					
Solvency ratio (%)	(12,2)	(15,6)	(8,5)	2,9	12,9

## **Management commentary**

### **Primary activities**

The primary activity of the Company concerns the operation of the Change retail concept stores offering lingerie, swimwear, nightwear and other associated products.

### **Development in activities and finances**

The Company's income statement for 2015/16 shows a loss of DKK 2,167 thousand and the balance sheet shows negative equity of DKK 9,861 thousand at 30.06.2016.

Earnings are affected by the continuing growth from the development of current stores and the opening of new stores.

The Parent has issued a letter of support to the Company thus it is able to meet its obligations.

### **Particular risks**

#### **General risks**

It is assessed that the Company is not exposed to any special business or financial risks apart from the risks generally occurring in the industry.

#### **Profit/loss for the year in relation to expected developments**

This year's performance corresponds to the expectations disclosed in the annual report for 2014/15.

### **Outlook**

Management expects that the positive development in revenue, gross profit and earnings will continue in 2016/17.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.



## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

### **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.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, other operating income, cost of sales and other external expenses.

## **Accounting policies**

### **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, including rental income and gains from the sale of intangible assets and property, plant and equipment.

### **Cost of sales**

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

### **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 write-downs of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### **Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

### **Income from investments in associates**

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

## Accounting policies

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as 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 losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Income taxes

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.

The Entity is jointly taxed with its Parent as well as all Danish and foreign subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Intellectual property rights etc

The lease rights term is determined at 5-20 years for those leases which are interminable.

### Property, plant and equipment

Other fixtures and fittings, tools and equipment as well as 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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	3-8 years

## Accounting policies

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables 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 write-downs for bad and doubtful debts.

## **Accounting policies**

### **Income tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### **Other investments**

Securities recognised under current assets comprise unlisted shares and bonds measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other provisions**

Other provisions comprise negative equity in associates.

### **Finance lease commitments**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

### **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Deferred income**

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

### **Cash flow statement**

According to section 86(4) of the Danish Financial Statements Act, a cash flow statement has been omitted.

## Accounting policies

### Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios reflect</b>
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

**Income statement for 2015/16**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
<b>Gross profit</b>		<b>42.921.976</b>	<b>41.387</b>
Staff costs	1	(39.644.112)	(36.280)
Depreciation, amortisation and impairment losses	2	(3.528.317)	(3.379)
Other operating expenses		<u>(60.080)</u>	<u>0</u>
<b>Operating profit/loss</b>		<b>(310.533)</b>	<b>1.728</b>
Income from investments in associates		833.789	172
Other financial income	3	59.872	12
Other financial expenses	4	<u>(2.804.561)</u>	<u>(1.694)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>(2.221.433)</b>	<b>218</b>
Tax on profit/loss from ordinary activities	5	<u>54.586</u>	<u>(2.602)</u>
<b>Profit/loss for the year</b>		<b><u>(2.166.847)</u></b>	<b><u>(2.384)</u></b>
<b>Proposed distribution of profit/loss</b>			
Reserve for net revaluation according to the equity method		109.462	(219)
Retained earnings		<u>(2.276.309)</u>	<u>(2.165)</u>
		<b><u>(2.166.847)</u></b>	<b><u>(2.384)</u></b>

**Balance sheet at 30.06.2016**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
Acquired rights		10.053.667	9.453
<b>Intangible assets</b>	<b>6</b>	<b><u>10.053.667</u></b>	<b><u>9.453</u></b>
Other fixtures and fittings, tools and equipment		10.590.927	8.871
Leasehold improvements		2.226.119	1.373
<b>Property, plant and equipment</b>	<b>7</b>	<b><u>12.817.046</u></b>	<b><u>10.244</u></b>
Investments in associates		209.461	137
Deposits		6.465.297	7.511
Deferred tax	9	944.986	941
<b>Fixed asset investments</b>	<b>8</b>	<b><u>7.619.744</u></b>	<b><u>8.589</u></b>
<b>Fixed assets</b>		<b><u>30.490.457</u></b>	<b><u>28.286</u></b>
Manufactured goods and goods for resale		16.070.637	16.854
<b>Inventories</b>		<b><u>16.070.637</u></b>	<b><u>16.854</u></b>
Trade receivables		588.568	409
Receivables from group enterprises		4.115.416	0
Other short-term receivables		539.351	120
Income tax receivable	10	50.972	1.483
<b>Receivables</b>		<b><u>5.294.307</u></b>	<b><u>2.012</u></b>
Other investments		5.000	5
<b>Other investments</b>		<b><u>5.000</u></b>	<b><u>5</u></b>
<b>Cash</b>		<b><u>2.309.249</u></b>	<b><u>2.204</u></b>
<b>Current assets</b>		<b><u>23.679.193</u></b>	<b><u>21.075</u></b>
<b>Assets</b>		<b><u><u>54.169.650</u></u></b>	<b><u><u>49.361</u></u></b>



**Balance sheet at 30.06.2016**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
Contributed capital	11	500.000	500
Reserve for net revaluation according to the equity method		109.462	0
Retained earnings		<u>(10.470.633)</u>	<u>(8.194)</u>
<b>Equity</b>		<b><u>(9.861.171)</u></b>	<b><u>(7.694)</u></b>
Provisions for investments in associates	12	<u>0</u>	<u>762</u>
<b>Provisions</b>		<b><u>0</u></b>	<b><u>762</u></b>
Finance lease liabilities		<u>7.382.465</u>	<u>5.413</u>
<b>Non-current liabilities other than provisions</b>	13	<b><u>7.382.465</u></b>	<b><u>5.413</u></b>
Current portion of long-term liabilities other than provisions	13	2.708.393	2.703
Trade payables		1.304.633	354
Debt to group enterprises		45.221.885	36.718
Other payables		4.425.898	9.170
Deferred income	14	<u>2.987.547</u>	<u>1.935</u>
<b>Current liabilities other than provisions</b>		<b><u>56.648.356</u></b>	<b><u>50.880</u></b>
<b>Liabilities other than provisions</b>		<b><u>64.030.821</u></b>	<b><u>56.293</u></b>
<b>Equity and liabilities</b>		<b><u>54.169.650</u></b>	<b><u>49.361</u></b>
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Related parties with control	18		
Consolidation	19		

**Statement of changes in equity for 2015/16**

	<b>Contributed capital DKK</b>	<b>Reserve for net revalua- tion accor- ding to the equity me- thod DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	500.000	0	(8.194.324)	(7.694.324)
Profit/loss for the year	0	109.462	(2.276.309)	(2.166.847)
<b>Equity end of year</b>	<b>500.000</b>	<b>109.462</b>	<b>(10.470.633)</b>	<b>(9.861.171)</b>

## Notes

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	35.950.515	32.930
Pension costs	1.508.450	1.255
Other social security costs	805.981	738
Other staff costs	1.379.166	1.357
	<b>39.644.112</b>	<b>36.280</b>
Average number of employees	<b>118</b>	<b>108</b>

According to section 98b(3) of the Danish Financial Statements Act, remuneration to Management has not been disclosed.

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	838.522	866
Depreciation of property, plant and equipment	2.689.795	2.410
Profit/loss from sale of intangible assets and property, plant and equipment	0	103
	<b>3.528.317</b>	<b>3.379</b>

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	47.114	0
Interest income	12.758	12
	<b>59.872</b>	<b>12</b>

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	2.086.000	1.198
Interest expenses	718.561	496
	<b>2.804.561</b>	<b>1.694</b>

## Notes

	<b>2015/16 DKK</b>	<b>2014/15 DKK'000</b>
<b>5. Tax on ordinary profit/loss for the year</b>		
Change in deferred tax for the year	(3.614)	4.489
Adjustment relating to previous years	(50.972)	(1.483)
Effect of changed tax rates	0	(404)
	<b>(54.586)</b>	<b>2.602</b>
<b>6. Intangible assets</b>		
Cost beginning of year		14.819.211
Additions		1.437.554
<b>Cost end of year</b>		<b>16.256.765</b>
Amortisation and impairment losses beginning of year		(5.364.576)
Amortisation for the year		(838.522)
<b>Amortisation and impairment losses end of year</b>		<b>(6.203.098)</b>
<b>Carrying amount end of year</b>		<b>10.053.667</b>
	<b>Other fix- tures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>7. Property, plant and equipment</b>		
Cost beginning of year	20.026.632	2.987.626
Additions	4.077.360	1.290.468
Disposals	(155.751)	0
<b>Cost end of year</b>	<b>23.948.241</b>	<b>4.278.094</b>
Depreciation and impairment losses beginning of the year	(11.156.364)	(1.615.047)
Depreciation for the year	(2.252.867)	(436.928)
Reversal regarding disposals	51.917	0
<b>Depreciation and impairment losses end of the year</b>	<b>(13.357.314)</b>	<b>(2.051.975)</b>
<b>Carrying amount end of year</b>	<b>10.590.927</b>	<b>2.226.119</b>

## Notes

Of the carrying amount at 30.06.2016 for property, plant and equipment amounting to a total of DKK 12,817 thousand, recognised assets not owned by the Entity constitute DKK 9,633 thousand.

	<b>Investments in associates DKK</b>	<b>Deposits DKK</b>	<b>Deferred tax DKK</b>
<b>8. Fixed asset investments</b>			
Cost beginning of year	225.000	7.510.713	941.372
Additions	0	213.937	21.997
Disposals	(125.000)	(1.259.353)	(18.383)
<b>Cost end of year</b>	<b>100.000</b>	<b>6.465.297</b>	<b>944.986</b>
Revaluations beginning of year	(87.164)	0	0
Share of profit/loss after tax	328.479	0	0
Investments with negative equity transferred to provisions	(762.164)	0	0
Reversal regarding disposals	630.310	0	0
<b>Revaluations end of year</b>	<b>109.461</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>209.461</b>	<b>6.465.297</b>	<b>944.986</b>

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity interest %</b>
Associates:			
Change - Sønderborg I/S	Sønderborg	I/S	50,00

	<b>2015/16 DKK</b>	<b>2014/15 DKK'000</b>
<b>9. Deferred tax</b>		
Intangible assets	(728.528)	(482)
Property, plant and equipment	(126.312)	(1.975)
Liabilities other than provisions	0	1.785
Tax losses carried forward	0	1.613
Other taxable temporary differences	1.799.826	0
	<b>944.986</b>	<b>941</b>

## 10. Short-term income tax receivable

The item comprises joint taxation contribution from 2015.

## Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
<b>11. Contributed capital</b>			
Ordinary shares	10	50.000,00	500.000
	<u>10</u>		<u>500.000</u>

## 12. Provisions for investments in associates

Provisions for investments in associates comprise negative equity in associates.

	<u>Instal- ments within 12 months 2014/15 DKK'000</u>	<u>Instalments within 12 months 2015/16 DKK</u>	<u>Instalments beyond 12 months 2015/16 DKK</u>
<b>13. Long-term liabilities other than provisions</b>			
Finance lease liabilities	2.703	2.708.393	7.382.465
	<u>2.703</u>	<u>2.708.393</u>	<u>7.382.465</u>

## 14. Short-term deferred income

Deferred income comprises gift certificates unused at the balance sheet date.

	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
<b>15. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	30.087	29.617
	<u>30.087</u>	<u>29.617</u>
	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
<b>16. Contingent liabilities</b>		
Recourse and non-recourse guarantee commitments	0	491
<b>Contingent liabilities</b>	<u>0</u>	<u>491</u>

The Company participates in Danish international joint taxation with Asian Import ApS as the administration company and, consequently, according to the Danish Corporation Tax Act, is liable for any income taxes etc for the jointly taxed companies, and for any obligation to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

## Notes

The Company holds ownership interests in the partnership Change - Sønderborg I/S. Consequently, the Company is liable in accordance with the rules of the Executive Order on the Danish Act on Certain Commercial Undertakings stating that all owners are personally liable without limitation as well as jointly and severally liable for the obligations of the undertaking.

### 17. Assets charged and collateral

Bank debts of the Company and the sister subsidiary are secured by way of a company charge of DKK 30,000 thousand nominal value. The bank debts amount to DKK 45,808 thousand at 30.06.2016.

On behalf of the Company, the Company's bankers have provided warranty commitments of DKK 6,840 thousand.

The Company as well as the group companies Change of Scandinavia A/S and Change of Scandinavia Holding A/S have undertaken guarantee of payment of DKK 21 million of the Parent's, Asian Import ApS, payment obligations to external lender. The loan including interest amounts to DKK 97 million at 30.06.2016 and is subject to a number of loan conditions and covenants which, among other things, include requirements of the Group's and the Parent's EBITDA against the Group's and the Parent's net interest-bearing debt.

### 18. Related parties with control

The following related party has a controlling interest in Change of Scandinavia Retail A/S:

Claus Walther Jensen, Tagetesvej 8, Smidstrup, 3250 Gilleleje

### 19. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Asian Import ApS, Farum Gydevej 73, DK-3520 Farum

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Change of Scandinavia Holding A/S, Farum Gydevej 73, DK-3520 Farum