

Benetton Denmark ApS

Vendersgade 28 st., 1363 København K

Annual report for 2021

CVR no. 28 98 74 71

Adopted at the annual general meeting on 2 June 2022

chairman: Mr. Ugo Giorcelli

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Benetton Denmark ApS for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 31 May 2022

Executive board

Nicola Capone
CEO

Supervisory board

Mr. Ugo Giorcelli
chairman

Nicola Capone

Alessandro Lucchetta

Independent auditor's report

To the shareholder of Benetton Denmark ApS

Opinion

We have audited the financial statements of Benetton Denmark ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 31 May 2022

Ecovis Danmark
statsautoriseret revisionsinteressentskab
CVR no. 28 93 95 23

Kurt Bülow
State Authorized Public Accountant
MNE no. mne3112

Company details

The company	Benetton Denmark ApS Vendersgade 28 st. 1363 København K Telephone: 33110044 CVR no.: 28 98 74 71 Reporting period: 1 January - 31 December 2021 Domicile: Copenhagen
Supervisory board	Mr. Ugo Giorcelli, chairman Nicola Capone Alessandro Lucchetta
Executive board	Nicola Capone, director
Auditors	Ecovis Danmark statsautoriseret revisionsinteressentskab Vendersgade 28 st. th 1363 København K
Consolidated financial statements	The company is reflected in the group report as the parent company Benetton Group S.R.L., 1, via Villa Minelli, 31050 Ponzano Veneto, Italy.

Management's review

Business review

The company's principal activities comprise business in the form of agencies and operation of stores in Copenhagen.

Income statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit		1.386.988	784.610
Staff costs	3	-2.510.839	-2.793.425
Profit/loss before net financials		-1.123.851	-2.008.815
Financial income		5.479	18.616
Financial costs		-132.889	-102.752
Profit/loss for the year		-1.251.261	-2.092.951

Distribution of profit

	2021 DKK	2020 DKK
Retained earnings	-1.251.261	-2.092.951
	-1.251.261	-2.092.951

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		<u>0</u>	<u>0</u>
Tangible assets	5	<u>0</u>	<u>0</u>
Finished goods and goods for resale		0	1.703.093
Prepayments for goods		<u>3.690</u>	<u>78.036</u>
Stocks		<u>3.690</u>	<u>1.781.129</u>
Trade receivables		1.472.748	1.628.678
Other receivables		<u>0</u>	<u>45.830</u>
Receivables		<u>1.472.748</u>	<u>1.674.508</u>
Cash at bank and in hand		<u>1.453.862</u>	<u>1.451.733</u>
Total current assets		<u>2.930.300</u>	<u>4.907.370</u>
Total assets		<u>2.930.300</u>	<u>4.907.370</u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		125.000	125.000
Retained earnings		-5.434.680	-4.183.419
Equity		-5.309.680	-4.058.419
Prepayments received from customers		0	37.215
Trade payables		352.303	935.432
Payables to Group Companies		6.195.630	6.274.632
Other payables		1.692.047	1.718.510
Total current liabilities		8.239.980	8.965.789
Total liabilities		8.239.980	8.965.789
Total equity and liabilities		2.930.300	4.907.370

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2021	125.000	-4.183.419	-4.058.419
Net profit/loss for the year	0	-1.251.261	-1.251.261
Equity at 31 December 2021	125.000	-5.434.680	-5.309.680

Notes

1 Uncertainty about the continued operation (going concern)

Sole share holder Benetton Group S.R.L., 1, via Villa Minelli, 31050 Ponzano Veneto, Italy, have declared that it will support Benetton Danmark ApS economic and financial, to ensure the activities in the subsidiary in the next 12 months from General Assembly for the financial year 2021

2 Other operating income

	2021 DKK	2020 DKK
Compensation for fixed expenses, Covid 2019	460.471	181.101
Compensation for wage and salaries, Covid 2019	314.095	435.099
	774.566	616.200

3 Staff costs

Wages and salaries	2.510.839	2.793.425
	2.510.839	2.793.425
Average number of employees	5	6

4 Tax on profit/loss for the year

Tax on profit/loss for the year is calculated as follows:

Calculated 22% tax on profit/loss for the year before tax	-275.277	-460.449
Tax effect of:		
Tax on non-deductible expenses and non-taxable income	-88	-52
Non-capitalised deferred tax	275.365	460.501
	0	0

Notes

5 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2021	208.254
Disposals for the year	-208.254
Cost at 31 December 2021	0
Impairment losses and depreciation at 1 January 2021	208.254
Depreciation for the year	-208.254
Impairment losses and depreciation at 31 December 2021	0
Carrying amount at 31 December 2021	0

6 Related parties and ownership structure

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Benetton Group S.R.L., 1, via Villa Minelli, 31050 Ponzano Veneto, Italy.

Accounting policies

The annual report of Benetton Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

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

The annual report for 2021 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, includes Covid 19 grants.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts etc.

Staff costs

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.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Balance sheet

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

Accounting policies

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.