
Gudrun Sjödén ApS

Fiolstræde 5, DK-1171 København K

Annual Report for 1 May - 31 December 2015

CVR No 29 93 06 86

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
11/4 2016

Gudrun Sjöden
Chairman



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Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report on the Financial Statements	2
Company Information	
Company Information	4
Management's Review	5
Financial Statements	
Income Statement 1 May - 31 December	6
Balance Sheet 31 December	7
Notes to the Financial Statements	9
Accounting Policies	12

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Gudrun Sjödén ApS for the financial year 1 May - 31 December 2015.

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 financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 11 April 2016

Executive Board

Inga Christina Tillman

Board of Directors

Gudrun Sjödén
Chairman

Anna Katarina Sjödén

Independent Auditor's Report on the Financial Statements

To the Shareholder of Gudrun Sjødén ApS

Report on the Financial Statements

We have audited the Financial Statements of Gudrun Sjødén ApS for the financial year 1 May - 31 December 2015, which comprise income statement, balance sheet, notes and 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 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 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 financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 May - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Copenhagen, 11 April 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad

State Authorised Public Accountant

Company Information

The Company

Gudrun Sjödén ApS
Fiolstræde 5
DK-1171 København K

Telephone: + 45 33 13 44 99
Website: www.gudrunsjoden.com

CVR No: 29 93 06 86
Financial period: 1 May - 31 December
Municipality of reg. office: København

Board of Directors

Gudrun Sjödén, Chairman
Anna Katarina Sjödén

Executive Board

Inga Christina Tillman

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Gudrun Sjödén ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

Gudrun Sjödén ApS sells and markets women's wear and furnishing fabrics in the Danish market. Sales are effected from the Company's own shop, by mail order sales and via the internet. The Company's sells clothes made of natural materials that can be combined in many ways in a simple functional design with a Nordic touch for women of all ages and sizes. The range of furnishing fabrics is characterised by the same unique design - a range of harmonious custom-made fabrics in colours of a unique Nordic design. Clothes and fabrics are designed by the Swedish Gudrun Sjödén Design AB.

Development in the year

The income statement of the Company for 2015 (8 months) shows a profit of DKK 559,424, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 1,392,897.

Unusual events

The company have changed financial year to 1 January to 31 December, to follow the financial year of the parent company.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 May - 31 December

	Note	2015 DKK 8 months	2014/15 DKK 12 months
Gross profit/loss		2.873.388	3.853.292
Staff expenses	1	-1.782.527	-2.714.335
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-133.696	-56.505
Other operating expenses		0	-72.312
Resultat før finansielle poster		957.165	1.010.140
Financial income		44.104	144.972
Financial expenses		-271.665	-188.416
Resultat før skat		729.604	966.696
Tax on profit/loss for the year	3	-166.468	-226.386
Net profit/loss for the year		563.136	740.310

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year		0	3.000.000
Retained earnings		563.136	-2.259.690
		563.136	740.310

Balance Sheet 31 December

Assets

	Note	31 December 2015 DKK 8 months	30 April 2015 DKK 12 months
Other fixtures and fittings, tools and equipment		63.264	73.592
Leasehold improvements		648.236	771.604
Tangible assets	4	711.500	845.196
Fixed assets		711.500	845.196
Stocks		863.862	778.817
Trade receivables		514.861	778.604
Receivables from group enterprises		624.822	0
Other receivables		5.000	5.000
Prepayments		464.151	223.501
Receivables		1.608.834	1.007.105
Cash at bank and in hand		2.827.838	7.450.777
Currents assets		5.300.534	9.236.699
Assets		6.012.034	10.081.895

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	31 December 2015 <u>DKK</u> 8 months	<u>30 April 2015</u> DKK 12 months
Share capital		125.000	125.000
Retained earnings		1.271.609	708.473
Proposed dividend for the year		<u>0</u>	<u>3.000.000</u>
Equity	5	<u>1.396.609</u>	<u>3.833.473</u>
Provision for deferred tax	6	<u>5.588</u>	<u>22.820</u>
Provisions		<u>5.588</u>	<u>22.820</u>
Corporation tax		<u>0</u>	<u>85.943</u>
		<u>0</u>	<u>85.943</u>
Trade payables		227.542	349.905
Payables to group enterprises		1.615.597	3.107.116
Corporation tax		278.783	162.591
Other payables		<u>2.487.915</u>	<u>2.520.047</u>
		<u>4.609.837</u>	<u>6.139.659</u>
Debt		<u>4.609.837</u>	<u>6.225.602</u>
Liabilities and equity		<u>6.012.034</u>	<u>10.081.895</u>
Contingent assets, liabilities and other financial obligations	7		

Notes to the Financial Statements

	2015 DKK 8 months	2014/15 DKK 12 months
1 Staff expenses		
Wages and salaries	1.690.211	2.564.721
Other social security expenses	43.496	59.821
Other staff expenses	48.820	89.793
	<u>1.782.527</u>	<u>2.714.335</u>
Average number of employees	<u>8</u>	<u>7</u>
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation of property, plant and equipment	133.696	56.505
	<u>133.696</u>	<u>56.505</u>
3 Tax on profit/loss for the year		
Current tax for the year	183.700	195.943
Deferred tax for the year	-17.232	29.957
Adjustment of deferred tax concerning previous years	0	486
	<u>166.468</u>	<u>226.386</u>

Notes to the Financial Statements

4 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK 8 months	DKK 8 months
Cost at 1 May	363.966	3.588.103
Net effect from merger and acquisition	0	0
	0	0
Additions for the year	0	0
Disposals for the year	0	0
Cost at 31 December	<u>363.966</u>	<u>3.588.103</u>
Impairment losses and depreciation at 1 May	290.374	2.816.500
Depreciation for the year	<u>10.328</u>	<u>123.367</u>
Impairment losses and depreciation at 31 December	<u>300.702</u>	<u>2.939.867</u>
Carrying amount at 31 December	<u>63.264</u>	<u>648.236</u>
Depreciated over	<u>3 - 7 years</u>	<u>5 years</u>

5 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK 8 months	DKK 8 months	DKK 8 months	DKK 8 months
Equity at 1 May	125.000	708.473	3.000.000	3.833.473
Ordinary dividend paid	0	0	-3.000.000	-3.000.000
Net profit/loss for the year	<u>0</u>	<u>563.136</u>	<u>0</u>	<u>563.136</u>
Equity at 31 December	<u>125.000</u>	<u>1.271.609</u>	<u>0</u>	<u>1.396.609</u>

The share capital consists of 125 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

	31 December 2015 <hr/> DKK 8 months	30 April 2015 <hr/> DKK 12 months
6 Provision for deferred tax		
Property, plant and equipment	9.719	22.820
Inventories	-4.131	0
	<hr/> 5.588 <hr/>	<hr/> 22.820 <hr/>
7 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.148.000	1.148.000
Between 1 and 5 years	4.018.000	4.974.667
After 5 years	0	191.333
	<hr/> 5.166.000 <hr/>	<hr/> 6.314.000 <hr/>

Accounting Policies

Basis of Preparation

The Annual Report of Gudrun Sjødén ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Accounting Policies

Income Statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the enterprise.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of tangible assets.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Accounting Policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 - 7 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Stocks

Stocks are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of stocks is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Accounting Policies

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.