

**Colorful Licenses Scandinavia ApS**  
**Central Business Registration No**  
**32945287**  
**Ryttergårdsvej 20, 11. 2.**  
**3520 Farum**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 31.05.2016

**Chairman of the General Meeting**

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Name: Gerrit Meelker

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## **Entity details**

### **Entity**

Colorful Licenses Scandinavia ApS  
Ryttergårdsvej 20, 11. 2.  
3520 Farum

Central Business Registration No: 32945287

Registered in: Farum

Financial year: 01.01.2015 - 31.12.2015

### **Executive Board**

Gerrit Meelker

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

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

The Executive Board have today considered and approved the annual report of Colorful Licenses Scandinavia ApS for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

København, 31.05.2016

### **Executive Board**

Gerrit Meelker

## Independent auditor's reports

### To the owners of Colorful Licenses Scandinavia ApS

#### Report on the financial statements

We have audited the financial statements of Colorful Licenses Scandinavia ApS for the financial year 01.01.2015 - 31.12.2015, 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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

#### 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.

Aarhus, 31.05.2016

#### Deloitte

Statsautoriseret Revisionspartnerselskab

Morten Gade Steinmetz  
statsautoriseret revisor

CVR-nr. 33963556

## **Management commentary**

### **Primary activities**

The Company's activity primarily consists of sale of apparel, bags and other accessories.

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

The loss for the year amounted to DKK 712k, which Management does not consider satisfactory.

The Company's equity is negative by DKK 5.240 k at 31.12.2015. The Company's Management expects to re-establish equity through future operating profits. In the year ahead, the Company's continuous operations will be supported by the Parent to the necessary extent so that the Company can meet its commitments.

It is Management's assessment that the financial statements can be presented on a going concern basis.

### **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 B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for 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, cost of sales and 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.

### Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost.

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

### Other financial income

Other financial income comprises interest income, and net capital gains on payables and transactions in foreign currencies.

### Other financial expenses

Other financial expenses comprise interest expenses including interest expenses from group enterprises and net capital losses on payables and transactions in foreign currencies.

## Balance sheet

### Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights and licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Depreciation is made over 5 years.



## Accounting policies

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Other fixtures and fittings, tools and equipment 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.

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

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

### Cash

Cash comprises bank deposits.

### 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.

**Income statement for 2015**

<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
<b>Gross loss</b>	<b>(263.266)</b>	<b>(274.006)</b>
Staff costs	(241.755)	(491.996)
Depreciation, amortisation and impairment losses	<u>(64.242)</u>	<u>(54.676)</u>
<b>Operating profit/loss</b>	<b>(569.263)</b>	<b>(820.678)</b>
Other financial income	0	14.407
Other financial expenses	<u>(142.395)</u>	<u>(29.710)</u>
<b>Profit/loss for the year</b>	<b><u>(711.658)</u></b>	<b><u>(835.981)</u></b>
<b>Proposed distribution of profit/loss</b>		
Retained earnings	<u>(711.658)</u>	<u>(835.981)</u>
	<b><u>(711.658)</u></b>	<b><u>(835.981)</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Acquired licences		0	27.138
<b>Intangible assets</b>	2	<u>0</u>	<u>27.138</u>
Other fixtures and fittings, tools and equipment		0	37.104
<b>Property, plant and equipment</b>	3	<u>0</u>	<u>37.104</u>
Other receivables		0	10.000
<b>Fixed asset investments</b>		<u>0</u>	<u>10.000</u>
<b>Fixed assets</b>		<u>0</u>	<u>74.242</u>
Trade receivables		136.310	201.941
<b>Receivables</b>		<u>136.310</u>	<u>201.941</u>
<b>Cash</b>		<u>168.607</u>	<u>249.310</u>
<b>Current assets</b>		<u>304.917</u>	<u>451.251</u>
<b>Assets</b>		<u><u>304.917</u></u>	<u><u>525.493</u></u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital		80.000	80.000
Retained earnings		<u>(5.319.919)</u>	<u>(4.608.261)</u>
<b>Equity</b>		<b><u>(5.239.919)</u></b>	<b><u>(4.528.261)</u></b>
Subordinate loan capital		<u>3.919.155</u>	<u>3.805.005</u>
<b>Non-current liabilities other than provisions</b>		<b><u>3.919.155</u></b>	<b><u>3.805.005</u></b>
Trade payables		27.675	31.775
Debt to group enterprises		1.421.840	877.616
Other payables		<u>176.166</u>	<u>339.358</u>
<b>Current liabilities other than provisions</b>		<b><u>1.625.681</u></b>	<b><u>1.248.749</u></b>
<b>Liabilities other than provisions</b>		<b><u>5.544.836</u></b>	<b><u>5.053.754</u></b>
<b>Equity and liabilities</b>		<b><u><u>304.917</u></u></b>	<b><u><u>525.493</u></u></b>
Going concern	1		
Contingent liabilities	4		
Assets charged and collateral	5		

**Statement of changes in equity for 2015**

	<b>Contributed capital DKK</b>	<b>Retained ear- nings DKK</b>	<b>Total DKK</b>
Equity beginning of year	80.000	(4.608.261)	(4.528.261)
Profit/loss for the year	0	(711.658)	(711.658)
<b>Equity end of year</b>	<b>80.000</b>	<b>(5.319.919)</b>	<b>(5.239.919)</b>

## Notes

### 1. Going concern

The Company's equity is negative by DKK 5.240k at 31.12.2015. The Company's Management expects to re-establish equity through future operating profits. In the coming year, the Company's continuous operations will be supported by the Parent to the necessary extent so that the Company can meet its commitments.

	<b>Acquired licences DKK</b>
<b>2. Intangible assets</b>	
Cost beginning of year	139.577
<b>Cost end of year</b>	<b>139.577</b>
Amortisation and impairment losses beginning of year	(112.439)
Amortisation for the year	(27.138)
<b>Amortisation and impairment losses end of year</b>	<b>(139.577)</b>
<b>Carrying amount end of year</b>	<b>0</b>
	<b>Other fix- tures and fittings, tools and equipment DKK</b>
<b>3. Property, plant and equipment</b>	
Cost beginning of year	133.805
<b>Cost end of year</b>	<b>133.805</b>
Depreciation and impairment losses beginning of the year	(96.701)
Depreciation for the year	(37.104)
<b>Depreciation and impairment losses end of the year</b>	<b>(133.805)</b>
<b>Carrying amount end of year</b>	<b>0</b>
<b>4. Contingent liabilities</b>	
None.	
<b>5. Assets charged and collateral</b>	
None.	

**Notes**