



Episode Denmark ApS

Larsbjørnstræde 8, 1454 Copenhagen

Company reg. no. 33 94 78 44

Annual report

1 April 2015 - 31 March 2016

The annual report have been submitted and approved by the general meeting on the 30 August 2016.

Bernadus Frederik Tingen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

The managing director has today presented the annual report of Episode Denmark ApS for the financial year 1 April 2015 to 31 March 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 March 2016 and of the company's results of its activities in the financial year 1 April 2015 to 31 March 2016.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 28 July 2016

Managing Director

Bernadus Frederik Tingen

The independent auditor's reports

To the shareholder of Episode Denmark ApS

Report on the annual accounts

We have audited the annual accounts of Episode Denmark ApS for the financial year 1 April 2015 to 31 March 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts 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 annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 March 2016 and of the results of the company's operations for the financial year 1 April 2015 to 31 March 2016 in accordance with the Danish Financial Statements Act.

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 further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 28 July 2016

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Lotte Nørskov

State Authorised Public Accountant

Company data

The company

Episode Denmark ApS

Larsbjørnstræde 8

1454 Copenhagen

Company reg. no. 33 94 78 44

Established: 15 September 2011

Domicile: Copenhagen

Financial year: 1 April 2015 - 31 March 2016

5th financial year

Managing Director

Bernadus Frederik Tingen

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Management's review

The principal activities of the company

Like previous years, the principal activities are primarily business with clothing and accessories and related areas.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 2.422.641 against DKK 1.820.085 last year. The management consider the results satisfactory and in accordance with the forecast.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Episode Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Accounting policies used

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture 5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Accounting policies used

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

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

Profit and loss account 1 April - 31 March

All amounts in DKK.

<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
Gross profit	4.634.669	3.663.875
1 Staff costs	-1.329.906	-1.157.463
Depreciation and writedown relating to tangible fixed assets	<u>-98.356</u>	<u>-98.357</u>
Operating profit	3.206.407	2.408.055
Other financial income	0	16.813
2 Other financial costs	<u>-5.388</u>	<u>-12.142</u>
Results before tax	3.201.019	2.412.726
3 Tax on ordinary results	<u>-778.378</u>	<u>-592.641</u>
Results for the year	<u>2.422.641</u>	<u>1.820.085</u>
Proposed distribution of the results:		
Dividend for the financial year	1.495.000	1.117.500
Allocated to results brought forward	<u>927.641</u>	<u>702.585</u>
Distribution in total	<u>2.422.641</u>	<u>1.820.085</u>

Balance sheet 31 March

All amounts in DKK.

Assets		
<u>Note</u>	<u>2016</u>	<u>2015</u>
Fixed assets		
4 Other plants, operating assets, and fixtures and furniture	57.376	155.732
Tangible fixed assets in total	57.376	155.732
Fixed assets in total	57.376	155.732
Current assets		
Manufactured goods and trade goods	365.050	450.352
Inventories in total	365.050	450.352
Trade debtors	775.196	735.963
Amounts owed by group enterprises	1.313.650	0
Other debtors	241.811	236.118
Accrued income and deferred expenses	151.635	82.316
Debtors in total	2.482.292	1.054.397
Available funds	2.164.881	2.022.814
Current assets in total	5.012.223	3.527.563
Assets in total	5.069.599	3.683.295

Balance sheet 31 March

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2016</u>	<u>2015</u>
Equity			
5	Contributed capital	80.000	80.000
6	Results brought forward	2.189.430	1.261.789
7	Proposed dividend for the financial year	1.495.000	1.117.500
	Equity in total	<u>3.764.430</u>	<u>2.459.289</u>
Provisions			
	Provisions for deferred tax	<u>12.622</u>	<u>12.622</u>
	Provisions in total	<u>12.622</u>	<u>12.622</u>
Liabilities			
	Trade creditors	106.671	41.750
	Debt to group enterprises	0	109.939
	Corporate tax	615.799	527.076
	Other debts	<u>570.077</u>	<u>532.619</u>
	Short-term liabilities in total	<u>1.292.547</u>	<u>1.211.384</u>
	Liabilities in total	<u>1.292.547</u>	<u>1.211.384</u>
	Equity and liabilities in total	<u>5.069.599</u>	<u>3.683.295</u>

Notes

All amounts in DKK.

	<u>2015/16</u>	<u>2014/15</u>
1. Staff costs		
Salaries and wages	1.283.214	1.118.108
Other costs for social security	39.677	32.274
Other staff costs	<u>7.015</u>	<u>7.081</u>
	<u>1.329.906</u>	<u>1.157.463</u>
 Average number of employees	 <u>5</u>	 <u>5</u>
2. Other financial costs		
Other financial costs	<u>5.388</u>	<u>12.142</u>
	<u>5.388</u>	<u>12.142</u>
3. Tax on ordinary results		
Tax of the results for the year, parent company	752.799	594.076
Adjustment for the year of deferred tax	0	-1.435
Adjustment of tax for previous years	<u>25.579</u>	<u>0</u>
	<u>778.378</u>	<u>592.641</u>
4. Other plants, operating assets, and fixtures and furniture		
Cost 1 April 2015	491.785	491.785
Additions during the year	0	0
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 March 2016	<u>491.785</u>	<u>491.785</u>
 Depreciation and writedown 1 April 2015	 -336.053	 -237.696
Depreciation for the year	<u>-98.356</u>	<u>-98.357</u>
Depreciation and writedown 31 March 2016	<u>-434.409</u>	<u>-336.053</u>
 Book value 31 March 2016	 <u>57.376</u>	 <u>155.732</u>

Notes

All amounts in DKK.

	<u>31/3 2016</u>	<u>31/3 2015</u>
5. Contributed capital		
Contributed capital 1 April 2015	<u>80.000</u>	<u>80.000</u>
	<u>80.000</u>	<u>80.000</u>
6. Results brought forward		
Results brought forward 1 April 2015	1.261.789	559.204
Profit or loss for the year brought forward	<u>927.641</u>	<u>702.585</u>
	<u>2.189.430</u>	<u>1.261.789</u>
7. Proposed dividend for the financial year		
Dividend 1 April 2015	1.117.500	517.751
Distributed dividend	-1.117.500	-517.751
Dividend for the financial year	<u>1.495.000</u>	<u>1.117.500</u>
	<u>1.495.000</u>	<u>1.117.500</u>