

Herb Denmark ApS

c/o Thyregod Advokat, Advokat Cristiano Rossi, Hammerensgade 6, 2. tv., 1267
København K

Company reg. no. 35 40 61 07

Annual report

1 July 2015 - 30 June 2016

The annual report have been submitted and approved by the general meeting on the 10 November 2016.

Cristiano Rossi
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 Herb Denmark ApS for the financial year 1 July 2015 to 30 June 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act. The company's equity is lost and the activities are being phased out.

On this basis, the accounting policies used have been changed into using net realizable values. The classification and presentation as well as the recognition and measurement of assets and liabilities have been adjusted due to the change in the accounting policies.

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 30 June 2016 and of the company's results of its activities in the financial year 1 July 2015 to 30 June 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.

København K, 10 November 2016

Managing Director

Raoul John Perfitt

The independent auditor's reports

To the shareholder of Herb Denmark ApS

Report on the annual accounts

We have audited the annual accounts of Herb Denmark ApS for the financial year 1 July 2015 to 30 June 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 30 June 2016 and of the results of the company's operations for the financial year 1 July 2015 to 30 June 2016 in accordance with the Danish Financial Statements Act.

Emphasis of matter paragraph on matters in the accounts

Without modifying our opinion, we draw the attention to the fact that the operating activities are currently being phased out, and that the annual report has been prepared with this consideration in mind. The recognition and measurement of the company's assets and liabilities has been changed into using net realizable values and the classification and presentation has also been adjusted. We are agreeing with the management's decision of choice of accounting policies and we refer to the further mentioning in Accounting Policies used.

Reports on other legal and regulatory requirements

Emphasis of matter paragraph on other matters

Without modifying our opinion we draw the attention to the fact that the company has lost more than half of the share capital and thus subject tot the capital loss provisions of the Danish Companie Act §119. We refer to the management's review.

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, 10 November 2016

Beierholm Statsautoriseret Revisionspartnerselskab

Company reg. no. 32 89 54 68

Jan Nygaard
State Authorised Public Accountant

Company data

The company

Herb Denmark ApS
c/o Thyregod Advokat, Advokat Cristiano Rossi
Hammerensgade 6, 2. tv.
1267 København K

Company reg. no. 35 40 61 07
Established: 25 July 2013
Domicile: Copenhagen
Financial year: 1 July - 30 June

Managing Director

Raoul John Perfitt

Auditors

Beierholm Statsautoriseret Revisionspartnerselskab
Nørre Farimagsgade 11
1364 København K

Management's review

The principal activities of the company

The significant activities of the enterprise is distribution of hair care products and related activities.

Uncertainties as to recognition or measurement

As the company's operating activities are being phased out, recognition and measurement of assets and liabilities is made at net realizable values.

Development in activities and financial matters

The gross profit for the year is DKK 1.160.000 against DKK 223.000 last year. The results from ordinary activities after tax are DKK 1.081.000 against DKK -1.345.000 last year.

The company has lost more than half of the share capital and is therefore subject to the Danish Companies Act §119. The lost capital relates to the negative results from former years.

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.

Profit and loss account 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
Gross profit	1.159.524	222.757
1 Staff costs	-74.675	-1.027.788
Depreciation and writedown relating to tangible fixed assets	0	-539.643
Operating profit	1.084.849	-1.344.674
2 Other financial costs	-3.704	0
Results before tax	1.081.145	-1.344.674
Tax on ordinary results	0	0
Results for the year	1.081.145	-1.344.674
Proposed distribution of the results:		
Allocated to results brought forward	1.081.145	0
Allocated from results brought forward	0	-1.344.674
Distribution in total	1.081.145	-1.344.674

Balance sheet 30 June

All amounts in DKK.

Assets

<u>Note</u>	<u>2016</u>	<u>2015</u>
Current assets		
Trade debtors	0	6.537
Other debtors	0	9.626
Accrued income and deferred expenses	2.148	1.971
Debtors in total	<u>2.148</u>	<u>18.134</u>
Cash funds	<u>209.998</u>	<u>42.108</u>
Current assets in total	<u>212.146</u>	<u>60.242</u>
Assets in total	<u>212.146</u>	<u>60.242</u>

Balance sheet 30 June

All amounts in DKK.

Equity and liabilities

<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity		
4 Contributed capital	80.000	80.000
5 Results brought forward	-1.371.345	-2.452.490
Equity in total	-1.291.345	-2.372.490
 Liabilities		
Trade creditors	330.136	156.776
Debt to group enterprises	1.168.816	2.124.134
Other debts	4.539	151.822
Short-term liabilities in total	1.503.491	2.432.732
Liabilities in total	1.503.491	2.432.732
 Equity and liabilities in total	 212.146	 60.242

Notes

All amounts in DKK.

	<u>2015/16</u>	<u>2014/15</u>
1. Staff costs		
Salaries and wages	68.888	946.666
Pension costs	5.511	71.580
Other costs for social security	276	9.542
	<u>74.675</u>	<u>1.027.788</u>
Average number of employees	<u>0</u>	<u>1</u>
2. Other financial costs		
Other financial costs	<u>3.704</u>	<u>0</u>
	<u>3.704</u>	<u>0</u>
3. Goodwill		
Cost 1 July 2015	<u>588.701</u>	<u>588.701</u>
Cost 30 June 2016	<u>588.701</u>	<u>588.701</u>
Amortisation and writedown 1 July 2015	-588.701	-49.058
Writedown for the year	<u>0</u>	<u>-539.643</u>
Amortisation and writedown 30 June 2016	<u>-588.701</u>	<u>-588.701</u>
Book value 30 June 2016	<u>0</u>	<u>0</u>
4. Contributed capital		
Contributed capital 1 July 2015	<u>80.000</u>	<u>80.000</u>
	<u>80.000</u>	<u>80.000</u>
5. Results brought forward		
Results brought forward 1 July 2015	-2.452.490	-1.107.816
Profit or loss for the year brought forward	<u>1.081.145</u>	<u>-1.344.674</u>
	<u>-1.371.345</u>	<u>-2.452.490</u>

Accounting policies used

The annual report for Herb Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises with the adjustments in classification and presentation as well as the recognition and measurement, which is a consequence of the conduction of the company's operating activities.

Recognition and measurement of the company's assets and liabilities has been changed into using the net realizable values, ie estimated market value after deduction of transaction costs. As result of the cause of adjusting to realizable values, the comparative information has not been restated and the cumulative effect of the change is included in the net income for the year.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, 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.

Cost of sales include costs for the purchase of raw materials and consumables less discounts.

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.

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.

Accounting policies used

The balance sheet

Assets

Assets are recognized at net realizable value after deduction of transaction costs.

Liabilities

Liabilities are recognized at redemption value including costs of redemption.