

FORESEEN FASHION A/S
Fredskovvej 5
7330 Brande
CVR no. 36 43 51 35

Annual report for 2022/23

Adopted at the annual general meeting on
23 November 2023



Lise Kaae
chairman

BESTSELLER

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement 1 August - 31 July	10
Balance sheet 31 July	11
Statement of changes in equity	13
Notes	14

Statement by management on the annual report

The Executive board and executive board have today discussed and approved the annual report of FORESEEN FASHION A/S for the financial year 1 August 2022 - 31 July 2023.

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 July 2023 and of the results of the company's operations for the financial year 1 August 2022 - 31 July 2023.

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.

Aarhus, 23 November 2023

Executive board




Anders Holch Povlsen

Executive board



Lise Kaae
chairman



Anders Holch Povlsen



Anne Kirstine Storm Holch Povlsen

Independent auditor's report

To the shareholder of FORESEEN FASHION A/S

Opinion

We have audited the financial statements of FORESEEN FASHION A/S for the financial year 1 August 2022 - 31 July 2023, which comprise 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 July 2023 and of the results of the company's operations for the financial year 1 August 2022 - 31 July 2023 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 " (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International 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 the IESBA Code.

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.

Independent auditor's report

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:

- 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.

Aarhus, 23 November 2023

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Friis
Statsautoriseret revisor
mne32732

Company details

The company

FORESEEN FASHION A/S
Fredskovvej 5
7330 Brande

CVR no.: 36 43 51 35

Reporting period: 1 August 2022 - 31 July 2023

Domicile: Ikast-Brande

Executive board

Lise Kaae, chairman
Anders Holch Povlsen
Anne Kirstine Storm Holch Povlsen

Executive board

Anders Holch Povlsen

Auditors

EY
Godkendt Revisionspartnerselskab
Værkmestergade 25
8000 Aarhus C

Management's review

Business review

The company's purpose is service business. In the from of cleaning, maintenance, ect.

Financial review

The company's income statement for the year ended 31 July 2023 shows a profit of DKK 1.843.358, and the balance sheet at 31 July 2023 shows equity of DKK 15.649.747.

Accounting policies

The annual report of FORESEEN FASHION A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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

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

Revenues relating to services are recognized on a straight-line basis as the services are provided.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Other external expenses

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

Accounting policies

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.

Tax on profit for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Cash at bank and in hand

Cash at bank and in hand comprise cash at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 August - 31 July

	Note	2022/23 DKK	2021/22 DKK
Gross profit		48.012.867	40.895.863
Staff costs	1	-45.808.865	-38.953.782
Profit before net financials		2.204.002	1.942.081
Financial income	2	161.638	94.896
Financial costs	3	-947	-18.332
Profit before tax		2.364.693	2.018.645
Tax on profit for the year	4	-521.335	-444.378
Profit/loss for the year		1.843.358	1.574.267
 Recommended appropriation of profit/loss			
Proposed dividend for the year		10.500.000	0
Retained earnings		-8.656.642	1.574.267
		1.843.358	1.574.267

Balance sheet 31 July

	Note	2023 DKK	2022 DKK
Assets			
Receivables from group enterprises		16.413.196	14.634.706
Other receivables		7.904	56.446
Receivables		16.421.100	14.691.152
Cash at bank and in hand		2.375.106	962.344
Total current assets		18.796.206	15.653.496
Total assets		18.796.206	15.653.496

Balance sheet 31 July

	Note	2023 DKK	2022 DKK
Equity and liabilities			
Share capital		5.000.000	5.000.000
Retained earnings		149.747	8.806.389
Proposed dividend for the year		10.500.000	0
Equity		<u>15.649.747</u>	<u>13.806.389</u>
Trade payables		50.267	22.444
Payables to group enterprises		98.619	76.591
Corporation tax		521.314	444.378
Other payables		2.476.259	1.303.694
Total current liabilities		<u>3.146.459</u>	<u>1.847.107</u>
Total liabilities		<u>3.146.459</u>	<u>1.847.107</u>
Total equity and liabilities		<u><u>18.796.206</u></u>	<u><u>15.653.496</u></u>
Events after the balance sheet date	5		
Contingent liabilities	6		
Related parties and ownership structure	7		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 August 2022	5.000.000	8.806.389	0	13.806.389
Net profit/loss for the year	0	-8.656.642	10.500.000	1.843.358
Equity at 31 July 2023	<u>5.000.000</u>	<u>149.747</u>	<u>10.500.000</u>	<u>15.649.747</u>

Notes

	2022/23	2021/22
	DKK	DKK
1 Staff costs		
Wages and salaries	39.166.851	33.421.747
Pensions	3.666.058	3.052.286
Other social security costs	1.118.364	797.866
Other staff costs	1.857.592	1.681.883
	<u>45.808.865</u>	<u>38.953.782</u>
Average number of employees	<u>104</u>	<u>94</u>
2 Financial income		
Interest received from group enterprises	113.028	92.660
Other financial income	48.610	0
Exchange adjustments	0	2.236
	<u>161.638</u>	<u>94.896</u>
3 Financial costs		
Other financial costs	947	18.332
	<u>947</u>	<u>18.332</u>
4 Tax on profit for the year		
Current tax for the year	521.335	444.378
	<u>521.335</u>	<u>444.378</u>

Notes

5 Events after the balance sheet date

No events materially affecting the financial position have occurred after the balance sheet date.

6 Contingent liabilities

Contingent liabilities related to group enterprises

The Company participates in a joint Danish taxation arrangement with HEARTLAND A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore secondarily liable for income taxes etc for the jointly taxed entities as well as to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

7 Related parties and ownership structure

Controlling interest

The company is 100 % owned by HEARTLAND A/S, Store Torv 1, 8000 Aarhus C. FORESEEN FASHION A/S' accounts are included in the consolidated accounts for HEARTLAND A/S, Store Torv 1, 8000 Aarhus C as the smallest group.