

# Vreem Studios ApS

Sturlasgade 14 D, 2300 København S

Company reg. no. 37 78 96 23

## Annual report

10 June - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 18 April 2017.



**Stephane Park**  
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**

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The managing director has today presented the annual report of Vreem Studios ApS for the financial year 10 June to 31 December 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 December 2016 and of the company's results of its activities in the financial year 10 June to 31 December 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 S, 10 April 2017

**Managing Director**



Stephane Park

## **Independent auditor's report**

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**To the shareholder of Vreem Studios ApS**

### **Opinion**

We have audited the annual accounts of Vreem Studios ApS for the financial year 10 June to 31 December 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.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 10 June to 31 December 2016 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### **The management's responsibilities 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. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

## Independent auditor's report

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- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

## **Independent auditor's report**

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### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 10 April 2017

### **BUUS JENSEN**

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



Ulrik Nørskov  
State Authorised Public Accountant

## Company data

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### **The company**

Vreem Studios ApS  
Sturlasgade 14 D  
2300 København S

Company reg. no. 37 78 96 23  
Established: 10 June 2016  
Domicile: Copenhagen  
Financial year: 10 June 2016 - 31 December 2016

### **Managing Director**

Stephane Park

### **Auditors**

BUUS JENSEN, Statsautoriserede revisorer

## **Management's review**

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### **The principal activities of the company**

The principal activity of the company is to provide design and handling solutions for fashion companies, as well as designing and selling its own products, including leather accessories.

### **Unusual matters**

The Company has not been affected by unusual circumstances during the financial year.

### **Uncertainties as to recognition or measurement**

It is estimated that no specific uncertainties are related to recognition and measurement of the financial items in the annual accounts.

### **Development in activities and financial matters**

The results from ordinary activities after tax are DKK -280.598. The management consider the results unsatisfactory.

### **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**

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The annual report for Vreem Studios 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).

### **The profit and loss account**

#### **Gross loss**

The gross loss comprises the net turnover, changes in inventories of finished goods 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.

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 and premises.

#### **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 on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

#### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns 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.

## Accounting policies used

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### 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.

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 | 3-5 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 losses are recognised in the profit and loss account as other operating income or other operating expenses.

#### **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.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

#### **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.

## **Accounting policies used**

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### **Available funds**

Available funds comprise cash at bank.

### **Liabilities**

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

## Profit and loss account

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| <u>Note</u>  | 10/6 - 31/12<br>2016 |
|--|----------------------|
| <b>Gross loss</b>  | <b>-245.213</b>      |
| 4 Staff costs  | -28.201              |
| Depreciation and writedown relating to tangible fixed assets | -2.797               |
| <b>Operating profit</b>                                      | <b>-276.211</b>      |
| 2 Other financial costs                                      | -4.387               |
| <b>Results before tax</b>                                    | <b>-280.598</b>      |
| 3 Tax on ordinary results                                    | 0                    |
| <b>Results for the year</b>                                  | <b>-280.598</b>      |
| <b>Proposed distribution of the results:</b>                 |                      |
| Allocated from results brought forward                       | -280.598             |
| <b>Distribution in total</b>                                 | <b>-280.598</b>      |

## Balance sheet

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| <b>Assets</b>         |  |                       |
|-----------------------|--|-----------------------|
| <u>Note</u>           |  | <u>31/12 2016</u>     |
| <b>Fixed assets</b>   |  |                       |
| 5                     | Other plants, operating assets, and fixtures and furniture | <u>30.764</u>         |
|                       | Tangible fixed assets in total                             | <u>30.764</u>         |
|                       | <b>Fixed assets in total</b>                               | <b><u>30.764</u></b>  |
| <b>Current assets</b> |  |                       |
|                       | Manufactured goods and trade goods                         | <u>173.633</u>        |
|                       | Inventories in total                                       | <u>173.633</u>        |
|                       | Trade debtors  | 73.325                |
|                       | Other debtors  | <u>21.166</u>         |
|                       | Debtors in total   | <u>94.491</u>         |
|                       | Available funds  | <u>192.354</u>        |
|                       | <b>Current assets in total</b>                             | <b><u>460.478</u></b> |
|                       | <b>Assets in total</b>                                     | <b><u>491.242</u></b> |

## Balance sheet

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| <b>Equity and liabilities</b> |  |                        |
|-------------------------------|--|------------------------|
| <u>Note</u>                   |  | <u>31/12 2016</u>      |
| <b>Equity</b>                 |  |                        |
| 6                             | Contributed capital                    | 50.000                 |
| 7                             | Results brought forward                | <u>-280.598</u>        |
|                               | <b>Equity in total</b>                 | <b><u>-230.598</u></b> |
| <br><b>Liabilities</b>        |  |                        |
|                               | Other debts                            | <u>439.848</u>         |
|                               | Long-term liabilities in total         | <u>439.848</u>         |
|                               | Trade creditors                        | 30.000                 |
|                               | Other debts                            | <u>251.992</u>         |
|                               | Short-term liabilities in total        | <u>281.992</u>         |
|                               | <b>Liabilities in total</b>            | <b><u>721.840</u></b>  |
|                               | <b>Equity and liabilities in total</b> | <b><u>491.242</u></b>  |

### 1 Uncertainties concerning the enterprise's ability to continue as a going concern

## Notes

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10/6 - 31/12  
2016

**1. Uncertainties concerning the enterprise's ability to continue as a going concern**

The company's funds of cash is tight as a result of financial loss. The company's two major creditors have submitted a letter of subordination to outstanding amounts of total DKK 854,000 per 31st December 2016.

In this light the management considers the company's funds of cash is sufficient for the company's activities for the following fiscal year.

**2. Other financial costs**

|                       |              |
|-----------------------|--------------|
| Other financial costs | 4.387        |
|                       | <u>4.387</u> |

**3. Tax on ordinary results**

|                                 |          |
|---------------------------------|----------|
| Tax of the results for the year | 0        |
|                                 | <u>0</u> |

**4. Staff costs**

|                                 |               |
|---------------------------------|---------------|
| Salaries and wages              | 22.374        |
| Other costs for social security | 379           |
| Other staff costs               | 5.448         |
|                                 | <u>28.201</u> |

**5. Other plants, operating assets, and fixtures and furniture**

|  |                      |
|--|----------------------|
| Additions during the year                          | 33.561               |
| <b>Cost 31 December 2016</b>                       | <u><b>33.561</b></u> |
| Depreciation for the year                          | -2.797               |
| <b>Amortisation and writedown 31 December 2016</b> | <u><b>-2.797</b></u> |
| <b>Book value 31 December 2016</b>                 | <u><b>30.764</b></u> |

**6. Contributed capital**

|                                  |               |
|----------------------------------|---------------|
| Contributed capital 10 June 2016 | 50.000        |
|                                  | <u>50.000</u> |

## Notes

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31/12 2016

**7. Results brought forward**

Profit or loss for the year brought forward

-280.598

**-280.598**