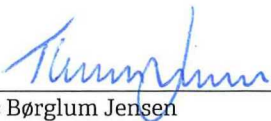


VILA Wholesale A/S  
Stilling Kirkevej 10, Stilling  
8660 Skanderborg  
CVR no. 39 36 65 92

# Annual report for 2022/23

Adopted at the annual general meeting on  
3 November 2023



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Thomas Børglum Jensen  
chairman

**BESTSELLER**

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## Statement by management on the annual report

The Board of Directors and executive board have today discussed and approved the annual report of VILA Wholesale 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, 3 November 2023

### Executive board



Lars Erik Pedersen  
Director

### Board of Directors



Anders Hølvh Povlsen  
chairman



Lars Erik Pedersen



Thomas Børglum Jensen

## **Independent Auditor's Report**

### ***To the shareholder of VILA Wholesale A/S***

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of VILA Wholesale A/S for the financial year 1 August 2022 - 31 July 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (financial statements).

#### **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 Financial Statements section of our report. 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 ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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.

Based on the work we have performed, in our view, 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 in Management's Review.

#### **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 financial statements that are free from material misstatement, whether due to fraud or error.

## Independent Auditor's Report

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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

## Independent Auditor's Report

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.

Aarhus, 3 November 2023

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

  
Claus Lyngsø Sørensen  
State Authorised Public Accountant  
mne34539

  
Jeppe Brændstrup  
State Authorised Public Accountant  
mne48564

## Company details

### The company

VILA Wholesale A/S  
Stilling Kirkevej 10, Stilling  
8660 Skanderborg

CVR no.: 39 36 65 92

Reporting period: 1 August 2022 - 31 July 2023

Domicile: Skanderborg

### Board of Directors

Anders Holch Povlsen, chairman  
Lars Erik Pedersen  
Thomas Børglum Jensen

### Executive board

Lars Erik Pedersen, director

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Jens Chr. Skous Vej 1  
8000 Aarhus C

## **Management's review**

### **Business review**

The company's purpose is wholesale trade in clothing and other related business.

### **Financial review**

The company's income statement for the year ended 31 July 2023 shows a profit of DKK 1.157.373, and the balance sheet at 31 July 2023 shows equity of DKK 10.960.100.



## **Accounting policies**

The annual report of VILA Wholesale 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, as well as provisions applying to reporting class C entities.

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, cost of sales and other external expenses.

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

### **Cost of sales**

Costs of sales comprises costs incurred in generating the revenue for the year.

### **Other external expenses**

Other external expenses include expenses related to distribution, marketing and administration, including office costs, 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.

### Financial income and expenses

Financial income and costs comprises interest income and expenses, realized and unrealized gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme.

### Tax on profit/loss 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 and cash equivalents

Cash and cash equivalents comprise cash and deposits 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.

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.

## **Accounting policies**

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
<b>Gross profit</b>		<b>4.916.880</b>	<b>6.059.839</b>
Staff costs	1	-3.707.015	-3.199.579
Financial income	2	278.772	1.169
Financial costs		-548	-4.017
<b>Profit/loss before tax</b>		<b>1.488.089</b>	<b>2.857.412</b>
Tax on profit/loss for the year	3	-330.716	-632.801
<b>Profit/loss for the year</b>		<b>1.157.373</b>	<b>2.224.611</b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		1.157.373	2.224.611
		<b>1.157.373</b>	<b>2.224.611</b>

**Balance sheet 31 July**

	Note	2023 DKK	2022 DKK
<b>Assets</b>			
Trade receivables		7.452.723	6.440.082
Receivables from subsidiaries		11.473.289	10.773.383
<b>Receivables</b>		<b>18.926.012</b>	<b>17.213.465</b>
<b>Total current assets</b>		<b>18.926.012</b>	<b>17.213.465</b>
<b>Total assets</b>		<b>18.926.012</b>	<b>17.213.465</b>

**Balance sheet 31 July**

	<b>Note</b>	<b>2023</b> DKK	<b>2022</b> DKK
<b>Equity and liabilities</b>			
Share capital		600.000	600.000
Retained earnings		<u>10.360.100</u>	<u>9.202.727</u>
<b>Equity</b>		<b><u>10.960.100</u></b>	<b><u>9.802.727</u></b>
Trade payables		11.913	4.279
Payables to subsidiaries		5.138.248	4.194.405
Corporation tax		330.621	632.787
Other payables		<u>2.485.130</u>	<u>2.579.267</u>
<b>Total current liabilities</b>		<b><u>7.965.912</u></b>	<b><u>7.410.738</u></b>
<b>Total liabilities</b>		<b><u>7.965.912</u></b>	<b><u>7.410.738</u></b>
<b>Total equity and liabilities</b>		<b><u><u>18.926.012</u></u></b>	<b><u><u>17.213.465</u></u></b>
Events after the balance sheet date	4		
Contingent liabilities	5		
Mortgages and collateral	6		
Related parties and ownership structure	7		

**Statement of changes in equity**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 August 2022	600.000	9.202.727	9.802.727
Net profit/loss for the year	0	1.157.373	1.157.373
<b>Equity at 31 July 2023</b>	<b><u>600.000</u></b>	<b><u>10.360.100</u></b>	<b><u>10.960.100</u></b>

## Notes

	2022/23	2021/22
	DKK	DKK
<b>1 Staff costs</b>		
Wages and salaries	3.189.013	2.864.721
Pensions	324.974	245.762
Other social security costs	55.228	30.635
Other staff costs	137.800	58.461
	<u>3.707.015</u>	<u>3.199.579</u>
Average number of employees	<u>7</u>	<u>7</u>
<b>2 Financial income</b>		
Interest received from subsidiaries	273.327	1.168
Other financial income	5.445	1
	<u>278.772</u>	<u>1.169</u>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	330.621	632.801
Adjustment of tax concerning previous years	95	0
	<u>330.716</u>	<u>632.801</u>

## 4 Events after the balance sheet date

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

## 5 Contingent liabilities

### Contingent liabilities related to group enterprises

The Company participates in a Danish joint 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.

## 6 Mortgages and collateral

The company has no collateral as of 31 July 2023



## Notes

### 7 Related parties and ownership structure

#### Controlling interest

The company is owned 100% by VILA A/S, Stilling Kirkevej 10, Stilling, 8660 Skanderborg.

#### Consolidated financial statements

The financial statement of VILA Wholesale A/S is included in the consolidated financial statements for BESTSELLER A/S, Fredskovvej 5, 7330 Brande being the smallest group.