VILA A/S
Stilling Kirkevej 10, Stilling
8660 Skanderborg
CVR no. 67 75 68 19

Annual report for 2019/20

Adopted at the annual general meeting on
23 October 2020

Thomas Børglum Jensen
chairman

BESTSELLER

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of VILA A/S for the financial year 1 August 2019 - 31 July 2020.

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 2020 and of the results of the company's operations for the financial year 1 August 2019 - 31 July 2020.

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 October 2020

Executive board

Finn Poulsen
director

Supervisory board

Anders Holch Povlsen chairman	Finn Poulsen	Thomas Børglum Jensen

Independent auditor's report

To the shareholder of VILA A/S

Opinion

We have audited the financial statements of VILA A/S for the financial year 1 August 2019 - 31 July 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 2020 and of the results of the company's operations for the financial year 1 August 2019 - 31 July 2020 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' 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.

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 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.

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 October 2020

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Friis
State Authorised Public Accountant
mne32732

Søren Jensen
State Authorised Public Accountant
mne34132

Company details

The company	VILA A/S Stilling Kirkevej 10, Stilling 8660 Skanderborg	
	CVR no.:	67 75 68 19
	Reporting period:	1 August 2019 - 31 July 2020
	Domicile:	Skanderborg
Supervisory board	Anders Holch Povlsen, chairman Finn Poulsen Thomas Børglum Jensen	
Executive board	Finn Poulsen, director	
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C	

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2019/20	2018/19	2017/18	2016/17	2015/16
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Profit/loss					
Revenue	887	1.009	1.029	916	960
Gross profit	125	199	261	209	197
Profit/loss before net financials	44	114	179	132	112
Net financials	-3	-2	1	1	0
Profit before tax	-38	170	217	142	122
Profit/loss for the year	-47	146	178	113	97
Balance sheet					
Balance sheet total	764	729	733	600	483
Equity	509	494	441	324	262
Financial ratios					
Gross profit ratio	14,1%	19,7%	25,4%	22,8%	20,5%
EBIT margin	5,0%	11,3%	17,4%	14,4%	11,7%
Solvency ratio	66,6%	67,8%	60,1%	54,0%	54,3%

For definitions, see accounting policies.

Management's review

Business activities

The Company's activities are to develop and sell fashion wear. The Company primarily sells its goods in Europe.

Business review

The income statement for the year ended 31 July 2020 shows a loss of TDKK 147.296, and the balance sheet at 31 July 2020 shows equity of TDKK 408.628.

The result of the year is negative effected by the changes in market conditions and general lockdown related to Covid-19.

During the financial year a sister comapny demerged assets into a subsidiary. The demerger had a positive effect of TDKK 61.757 recognized on equity and the new ownership structure has changed the classification of the subsidiary to an associated company.

Outlook

The expectations for 2020/21 is to deliver a better result than 2019/20 and close to previous years results. This will require an extraordinary effort, particular considering the continued changes in consumer behaviour leading to a new reality for online and retail.

Special risks apart from generally occurring risks in the industry

In management's assessment, the Company is not exposed to particular risks apart from those generally occurring in this line of business.

Statutory report on corporate responsibility

The company is a part of BESTSELLER-Group and is therefore included in the strategy and policies on corporate social responsibility adopted by the parent company BESTSELLER A/S. Please see the 2019/20 annual report for BESTSELLER A/S for the report on the BESTSELLER-Groups strategy and policies on corporate social responsibility, including actions and results achieved in the financial year.

Statutory report on the underrepresented gender

VILA A/S is subject to the rules on target figures and policies for the gender composition of management. VILA A/S is, however, of the opinion that qualifications and experience should be the decisive factor behind any job position.

In order to comply with the legislation, VILA A/S has, in spite of the above comment, formulated target figures for equal representation of men and women in the Supervisory Board of VILA A/S.

The 2022 target figure for the representation of women in the Supervisory Board of VILA A/S is 25%. Today, the Supervisory Board of VILA A/S consists of 3 men. The target has not yet been reached, as a present change in the composition of the Supervisory Board has not been considered appropriate, taking the qualifications and expe-rience of potential candidates into consideration.

At the other management levels, VILA A/S has an even gender composition at present.

Accounting policies

The annual report of VILA A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

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

Pursuant to sections §86 subsection 4, of the Danish Financial Statements Act, the company has not prepared a statement of cash flow.

Pursuant to sections §96 subsection 3, of the Danish Financial Statements Act, the company has not specified fees to the auditors appointed at the annual general meeting.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All costs, 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.

Recognition and measurement of business combinations

Newly acquired or newly established subsidiaries are recognised in the consolidated financial statement from the date of acquisition or the date of establishment respectively. When subsidiaries are sold or liquidated, they cease to be recognised in the consolidated financial statement at the time of transfer or time of liquidation and earnings or losses at the time of sale or liquidation are recognised in the profit and loss account. The comparative figures are not adjusted for acquisitions or disposals.

Gains and losses on the disposal of subsidiaries are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal including any non-amortised goodwill and anticipated disposal costs.

Accounting policies

Acquisitions of enterprises are accounted for using the consolidation method, according to which the identifiable assets and liabilities acquired are measured at their fair value at the date of acquisition. Costs for restructuring recognised in the acquired entity before the date of acquisition and not an agreed part of the acquisition are part of the acquisition balance sheet and hence the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is considered.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (badwill), representing an anticipated adverse development in the acquired enterprises is recognised in the income statement at the date of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill (badwill) from acquired enterprises can be adjusted until 12 months after the acquisition.

Recognition and measurement of intra-group business combinations

The uniting of interests method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided the combination is considered final at the time of acquisition with restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Income statement

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.

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.

Cost of sales

Cost of sales comprises costs incurred in generating the revenue for the year. Cost of sales includes provisions for loss on returned goods.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of equipment.

Other external costs

Other external costs comprise costs for 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. The item is net of refunds made by public authorities.

Amortisation and depreciation

Amortisation and depreciation comprise the year's amortisation and depreciation of property, plant and equipment.

Financial income and costs

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

Profit from investments in subsidiaries and associates

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of associates is recognised in the company's income statement after elimination of the proportionate share of intra-group profits/gains.

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

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Accounting policies

Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lives:

	Useful life	
Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	5-10	years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs, respectively.

Fixed asset investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of VILA A/S is adopted are not taken to the net revaluation reserve.

Acquisitions are accounted for using the purchase method, cf. the above description of the statement of goodwill.

Other investments

Other non-current assets consist of deposits in leaseholds, which the entity plans on holding until expiry.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. If it is not possible to determine the recoverable amount for individual assets, the assets are reviewed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

Accounting policies

Inventories

Inventories are measured at cost using the. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of inventories comprises of the purchase price plus delivery costs.

The net realisable value of inventories is calculated as the selling price less costs incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash at hand and in bank

Cash at hand and in bank comprise cash at hand and in bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries relative to the cost.

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.

Provisions

Provisions are measured at net realizable value or fair value. If the obligation is expected to be settled far into the future the obligation is measured at fair value. Provisions comprise anticipated costs for losses on returned goods, obligations concerning leases and other contractual liabilities. Provisions are recognized when the Company has a legal or constructive obligation at the balance sheet date and there is a probability of an outflow of resources required to settle the obligation.

In connection with corporate acquisitions, provisions for restructuring of the acquired entity are included in the calculation of the cost of acquisition and accordingly in goodwill or in goodwill on consolidation, provided that they have been adopted and published no later than at the date of acquisition.

Accounting policies

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.

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

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.

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.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other 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 costs. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to 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 costs.

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Accounting policies

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to equity.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Financial highlights

Definitions of financial ratios.

Gross profit ratio $\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$

EBIT margin $\dfrac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$

Solvency ratio $\dfrac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$

Income statement 1 August - 31 July

	Note	2019/20 TDKK	2018/19 TDKK
Revenue	1	**886.704**	**1.008.630**
Other operating income		12.235	14.837
Cost of goods		-735.071	-780.576
Other external costs		-39.235	-43.832
Gross profit		**124.633**	**199.059**
Staff costs	2	-80.715	-84.905
Depreciation and amortisation of property, plant and equipment		-158	-461
Profit before net financials		**43.760**	**113.693**
Income from investments in subsidiaries		427	58.600
Income from investments in associates		-79.472	0
Financial income	3	9.591	1.749
Financial costs	4	-12.701	-3.723
Profit/loss before tax		**-38.395**	**170.319**
Tax on profit/loss for the year	5	-8.971	-24.684
Profit/loss for the year		**-47.366**	**145.635**
Distribution of profit	6		

Balance sheet 31 July

	Note	2020 TDKK	2019 TDKK
Assets			
Other fixtures and fittings, tools and equipment		0	342
Leasehold improvements		135	225
Property, plant and equipment	7	**135**	**567**
Investments in subsidiaries	8	169.130	197.752
Investments in associates	9	0	0
Fixed asset investments		**169.130**	**197.752**
Total non-current assets		**169.265**	**198.319**
Finished goods and goods for resale		133.186	131.261
Inventories		**133.186**	**131.261**
Trade receivables		886	1.031
Receivables from group enterprises		433.281	379.525
Other receivables		267	142
Deferred tax asset	12	567	1.064
Prepayments	10	0	638
Receivables		**435.001**	**382.400**
Cash at bank and in hand		**26.276**	**16.654**
Total current assets		**594.463**	**530.315**
Total assets		**763.728**	**728.634**

Balance sheet 31 July

	Note	2020 TDKK	2019 TDKK
Equity and liabilities			
Share capital		6.300	6.300
Retained earnings		502.258	487.687
Equity	11	**508.558**	**493.987**
Trade payables		44.784	46.577
Payables to group enterprises		169.723	142.399
Corporation tax		8.474	25.079
Other payables		32.189	20.592
Total current liabilities		**255.170**	**234.647**
Total liabilities		**255.170**	**234.647**
Total equity and liabilities		**763.728**	**728.634**

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Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 August 2019	6.300	487.687	493.987
Exchange adjustment, foreign subsidiaries	0	180	180
Other equity movements	0	61.757	61.757
Net profit/loss for the year	0	-47.366	-47.366
Equity at 31 July 2020	**6.300**	**502.258**	**508.558**

Notes

		2019/20	2018/19
		TDKK	TDKK
1	**Revenue**		
	Revenue	886.704	1.008.630
	Total revenue	**886.704**	**1.008.630**
	Denmark	52.770	85.142
	Rest of Europe	833.934	923.488
	Total revenue	**886.704**	**1.008.630**

2	**Staff costs**		
	Wages and salaries	66.405	64.837
	Pensions	6.831	12.863
	Other social security costs	1.202	1.112
	Other staff costs	6.277	6.093
		80.715	**84.905**
	Average number of employees	167	160

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the Executive Board has not been disclosed.

3	**Financial income**		
	Financial income, group enterprises	1.120	667
	Other financial income	8.471	1.082
		9.591	**1.749**

Notes

		2019/20 TDKK	2018/19 TDKK
4	**Financial costs**		
	Financial costs, group enterprises	687	726
	Other financial costs	12.014	2.997
		12.701	**3.723**

5	**Tax on profit/loss for the year**		
	Current tax for the year	8.474	25.079
	Deferred tax for the year	497	-441
	Adjustment of tax concerning previous years	0	46
		8.971	**24.684**

6	**Distribution of profit**		
	Retained earnings	-47.366	145.635
		-47.366	**145.635**

7 **Property, plant and equipment**

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 August 2019	3.283	3.178
Disposals for the year	-2.729	0
Cost at 31 July 2020	554	3.178
Impairment losses and depreciation at 1 August 2019	2.941	2.953
Depreciation for the year	68	90
Reversal of impairment and depreciation of sold assets	-2.455	0
Impairment losses and depreciation at 31 July 2020	554	3.043
Carrying amount at 31 July 2020	**0**	**135**

Notes

8 Investments in subsidiaries

	2020 TDKK	2019 TDKK
Cost at 1 August 2019	346.273	319.164
Additions for the year	0	27.109
Transfers for the year	-179.988	0
Cost at 31 July 2020	166.285	346.273
Revaluations at 1 August 2019	-148.521	-171.382
Exchange adjustment	337	-410
Net profit/loss for the year	427	58.600
Received dividend	-11.514	-35.329
Transfers for the year	162.116	0
Revaluations at 31 July 2020	2.845	-148.521
Carrying amount at 31 July 2020	**169.130**	**197.752**

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
VILA Belgium BVBA	Antwerp, Belgium	100%
VILA Benelux B.V.	Amstelveen, Netherlands	100%
VILA Clothes AG	Glattbrugg, Switzerland	100%
VILA Clothes Handels GmbH	Wienna, Austria	100%
VILA Clothes Ltd.	Dublin, Ireland	100%
VILA Clothes Ltd.	London, United Kingdom	100%
VILA Finland Oy	Espoo, Finland	100%
VILA France SaS	Paris, France	100%
VILA Italy S.R.L.	Castel San Pietro Terme, Italy	100%
VILA Norge AS	Oslo, Norway	100%
VILA Spain S.L.U.	Torremolinos, Spain	100%
VILA Stores A/S	Skanderborg, Denmark	100%
VILA Sweden AB	Solna, Sweden	100%
VILA Wholesale A/S	Skanderborg, Denmark	100%

Notes

9 Investments in associates

	2020 TDKK	2019 TDKK
Cost at 1 August 2019	0	0
Transfers for the year	179.988	0
Cost at 31 July 2020	179.988	0
Revaluations at 1 August 2019	0	0
Exchange adjustment	-157	0
Net profit/loss for the year	-79.472	0
Transfers for the year	-162.116	0
Other equity movements, net	61.757	0
Revaluations at 31 July 2020	-179.988	0
Carrying amount at 31 July 2020	**0**	**0**

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
BESTSELLER Stores Germany GmbH	Hamburg, Germany	36,4%

10 Prepayments

Prepayments comprise prepaid costs regarding rent, subscriptions, travel and staff events.

11 Equity

The share capital consists of 6.300 shares of a nominal value of TDKK 1.000. No shares carry any special rights.

Notes

		2020	2019
		TDKK	TDKK
12	**Provision for deferred tax**		
	Provision for deferred tax at 1 August 2019	1.064	623
	Applied for the year	-497	441
	Provision for deferred tax at 31 July 2020	**567**	**1.064**
	Deferred tax asset		
	Calculated tax asset	567	1.064
	Carrying amount	**567**	**1.064**

13 Events after the balance sheet date

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

14 Rent and lease liabilities

Operating lease liabilities.
Total future lease payments:

	2020	2019
Within 1 year	1.671	1.583
	1.671	**1.583**

15 Contingent liabilities

Other contingent liabilities

The Parent company is part in a number of pending disputes that are not deemed to have any material effect on coming financial years.

Contingent liabilities towards the parent company and group entities

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.

The Company has issued a guarantee of payment for the liabilities of a number of subsidiaries totalling 11,7m DKK pr. 31 July 2020.

Notes

16 Related parties and ownership structure

Controlling interest

The company is owned 100% by BESTSELLER A/S, Fredskovvej 5, 7330 Brande

Transactions

Sale of goods to subsidiaries - DKK 802.354 thousands
Sale of services to subsidiaries - DKK 5.689 thousands
Sale of goods to other related parties - DKK 84.350 thousands
Sale of services to other related parties - DKK 6.124 thousands
Purchase of goods and services from subsidiaries - DKK 602 thousands
Purchase of goods and services from other related parties - DKK 404.450 thousands

Interest income from subsidiaries - DKK 1.118 thousands
Interest income from other related parties - DKK 2 thousands
Interest costs to subsidiaries - DKK 28 thousands
Interest costs to other related parties - DKK 659 thousands
Received dividend - DKK 11.514 thousands
Disposal of subsidiary by demerger DKK 17.872 thousands with payment in associates DKK 79.629 thousands.

Receivables from group companies - DKK 10.311 thousands
Receivables from other related parties - DKK 422.970 thousands
Payables to group companies - DKK 106.246 thousands
Payables to other related parties - DKK 63.477 thousands

Consolidated financial statements

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

The financial statement of VILA A/S is included in the consolidated financial statement for HEARTLAND A/S, Inge Lehmanns Gade 2, 8000 Aarhus C being the largest group.