

ADD MIKKELSEN UK LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Company number 4032278



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Associated with RSM.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on audit.

Associated offices in

LONDON

COPENHAGEN

AARHUS

ADD MIKKELSEN UK LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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REPORT OF THE DIRECTOR FOR THE
YEAR ENDED 31 DECEMBER 2008

The Director presents his report and financial statements for the year ended 31 December 2008

1. PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company has been production and sale of clothes and accessories.

The results for the year and the financial position at the year end were considered unsatisfactory by the director.

2. STATEMENTS OF DIRECTORS RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the director is required to

Select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the director must have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

REPORT OF THE DIRECTOR FOR THE
YEAR ENDED 31 DECEMBER 2008 – continued

3. STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The director of the company who held office at the date of approval of this Annual Report as set out beneath confirms that:

- So far as he is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- He has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

4. RESULTS AND DIVIDENDS

The Company's loss for the year amounted to GBP 400,021 before payment of dividend. The Director does not recommend a payment of dividend.

5. POST BALANCE SHEET EVENTS

No post balance sheet events have occurred since 31 December 2008 which requires reporting or disclosing in the accounts.

6. DIRECTORS

The Directors who served the company throughout the year were as follows

Keld Mikkelsen

Jeni Elliff (resigned 17.10.2008)

REPORT OF THE DIRECTOR FOR THE
YEAR ENDED 31 DECEMBER 2008 – continued

7. AUDITORS

Krogh & Partners Limited, Chartered Accountants & Registered Auditors have signified their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

823 Salisbury House
29 Finsbury Circus
London
EC2M 5QQ

25/7 2009

BY ORDER OF THE BOARD

Keld Mikkelsen
Director



REPORT OF THE INDEPENDENT AUDITORS TO THE
SHAREHOLDERS OF ADD MIKKELSEN UK LIMITED

We have audited the financial statements of ADD Mikkelsen UK Limited for the year ended 31 December 2008 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

REPORT OF THE INDEPENDENT AUDITORS TO THE
SHAREHOLDERS OF ADD MIKKELSEN UK LIMITED – continued

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

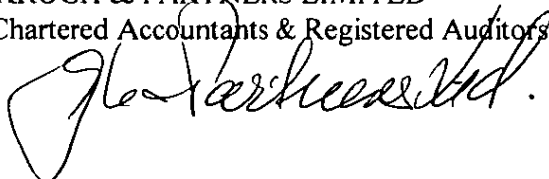
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors Report is consistent with the financial statements.

823 Salisbury House
29 Finsbury Circus
London EC2M 5QQ

KROGH & PARTNERS LIMITED
Chartered Accountants & Registered Auditors


25/7 2009

PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2008

	Note	2008 GBP	2007 GBP
TURNOVER		2,358,742	1,261,272
Cost of sales		<u>-1,100,276</u>	<u>-466,507</u>
GROSS PROFIT		1,258,466	794,765
Administrative expenses		<u>-1,709,754</u>	<u>-1,297,246</u>
OPERATING LOSS		-451,288	-502,481
Interest expenses and similar expenses		-77,922	-56,306
Interest income and similar income		<u>2,171</u>	<u>2,259</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-527,039	-556,528
Tax on ordinary activities	3	<u>127,018</u>	<u>257,982</u>
LOSS FOR THE YEAR		-400,021	-298,546
RETAINED LOSS BROUGHT FORWARD		<u>-625,193</u>	<u>-326,647</u>
RETAINED LOSS CARRIED FORWARD		<u>-1,025,214</u>	<u>-625,193</u>

There are no recognised gains and losses in 2008 other than loss for the year.

BALANCE SHEET AS AT
31 DECEMBER 2008

	Note	2008 GBP	2007 GBP
FIXED ASSETS			
Tangible assets	5	<u>174,697</u>	<u>100,042</u>
		<u>174,697</u>	<u>100,042</u>
CURRENT ASSETS			
Stocks		318,218	441,424
Debtors	6	874,487	475,441
Cash at bank and in hand		<u>96,601</u>	<u>55,360</u>
		1,289,306	972,225
CREDITORS: Amounts falling due within one year	7	<u>-448,281</u>	<u>-1,696,260</u>
NET CURRENT ASSETS/LIABILITIES		<u>841,025</u>	<u>-724,035</u>
NET ASSETS/LIABILITIES		<u>1,015,722</u>	<u>-623,993</u>
CAPITAL AND RESERVES			
Called up share capital	8	2,040,936	1,200
Profit and loss account		<u>-1,025,214</u>	<u>-625,193</u>
SHAREHOLDERS FUNDS	9	<u>1,015,722</u>	<u>-623,993</u>

Approved by the Board on ²⁵/₇ 2009

Keld Mikkelsen
Director



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

1.1 Accounting policies

The accounting policies of the Company conform to generally accepted practice in the U.K. The more important of these accounting policies are described below.

1.2 Turnover

Turnover derives from the principal activity of the Company and is represented by invoiced sales excluding Value Added Tax.

1.3 Foreign currencies

Transactions in foreign currencies are recorded using a fixed rate of exchange. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

1.4 Tangible fixed assets

Depreciation is provided at the following annual rates over the expected useful lives of the assets:

Computer equipment	40%
Fixtures and fitting	33.33%

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2008 – continued

1.5 Deferred taxation

Provision is made for deferred taxation, using the liability method, in respect of all timing differences that have originated but not reversed by the balance sheet date, except where these are permanent differences.

Deferred taxation is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value, having considered the age and condition of the stocks and level of specification. Provision is made as appropriate for any stock lines that are believed to be slow moving or obsolete.

1.7 Debtors

Debtors are valued individually and there are made provision according to this valuation.

1.8 Creditors

Creditors are carried at payment or settlement amounts. Where the time value of money is material, creditors are carried at amortized cost.

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2008 – continued

2. LOSS ON ORDINARY ACTIVITIES

	2008	2007
	GBP	GBP
Loss on ordinary activities is stated after charging:		
Depreciation	50,143	90,880
Auditor's remuneration	6,825	6,500
Directors' remuneration	<u>95,968</u>	<u>70,200</u>

3. TAX ON ORDINARY ACTIVITIES

Based on the result for the year:

Corporation tax	0	0
Deferred taxation	127,018	165,676
Regarding previous years	<u>0</u>	<u>92,306</u>
	<u>127,018</u>	<u>257,982</u>

4. EMPLOYEES

The average number of employees during the year was 34 (2007: 16). Employee cost including remuneration for the directors during the year was:

Salary	794,148	435,074
Social security	<u>70,965</u>	<u>41,977</u>
	<u>865,113</u>	<u>477,051</u>

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2008 – continued

	2008 GBP	2007 GBP
5. TANGIBLE FIXED ASSETS		
Cost		
At 01.01.2008	319,719	318,607
Additions	166,083	1,112
Disposals	<u>-218,732</u>	<u>0</u>
At 31.12.2008	<u>267,070</u>	<u>319,719</u>
Depreciation		
At 01.01.2008	219,677	128,797
Charge for the year	50,143	90,880
Depreciation on disposals	<u>-177,447</u>	<u>0</u>
At 31.12.2008	<u>92,373</u>	<u>219,677</u>
Net book value at 31.12.2008	<u>174,697</u>	<u>100,042</u>
6. DEBTORS		
Trade debtors	466,974	142,814
Deposit	0	50
Prepayments	22,513	74,595
Deferred tax	<u>385,000</u>	<u>257,982</u>
	<u>874,487</u>	<u>475,441</u>
The deferred tax asset recognised relates to accumulated taxable losses incurred, which are expected to be utilised in the future.		
7. CREDITORS: Amounts falling due within one year		
Current account parent company	257,163	1,588,958
Trade creditors	46,182	53,829
PAYE	11,252	15,173
VAT	65,982	31,633
Other creditors	<u>67,702</u>	<u>6,667</u>
	<u>448,281</u>	<u>1,696,260</u>

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2008 – continued

8. CALLED UP SHARE CAPITAL

	Authorised	Allotted, issued and fully paid
Ordinary shares of GBP 1 each at 1 January 2008	1,200	1,200
Shares issued during the year	<u>2,039,736</u>	<u>2,039,736</u>
Ordinary shares of GBP 1 each	<u>2,040,936</u>	<u>2,040,936</u>

9. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS

	2008 GBP	2007 GBP
Opening shareholders funds	-623,993	-325,447
Shares issued in the year	2,039,736	0
Loss for the year	<u>-400,021</u>	<u>-298,546</u>
Closing shareholders funds at 31.12.2008	<u>1,015,722</u>	<u>-623,993</u>

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party is ADD Mikkelsen A/S, a company incorporated in Denmark.

11. FINANCIAL COMMITMENTS

At 31 December 2008 the Company had annual commitments under operational leasing as follows:

Expiring within one year	0	0
Expiring between two and five years	75,000	75,000
Expiring after five years	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2008 – continued

12. CONTINGENT LIABILITIES

At 31 December 2008 the Company has contingent liabilities relating to concession agreements amounts to GBP 104K (2007: GBP 56K).